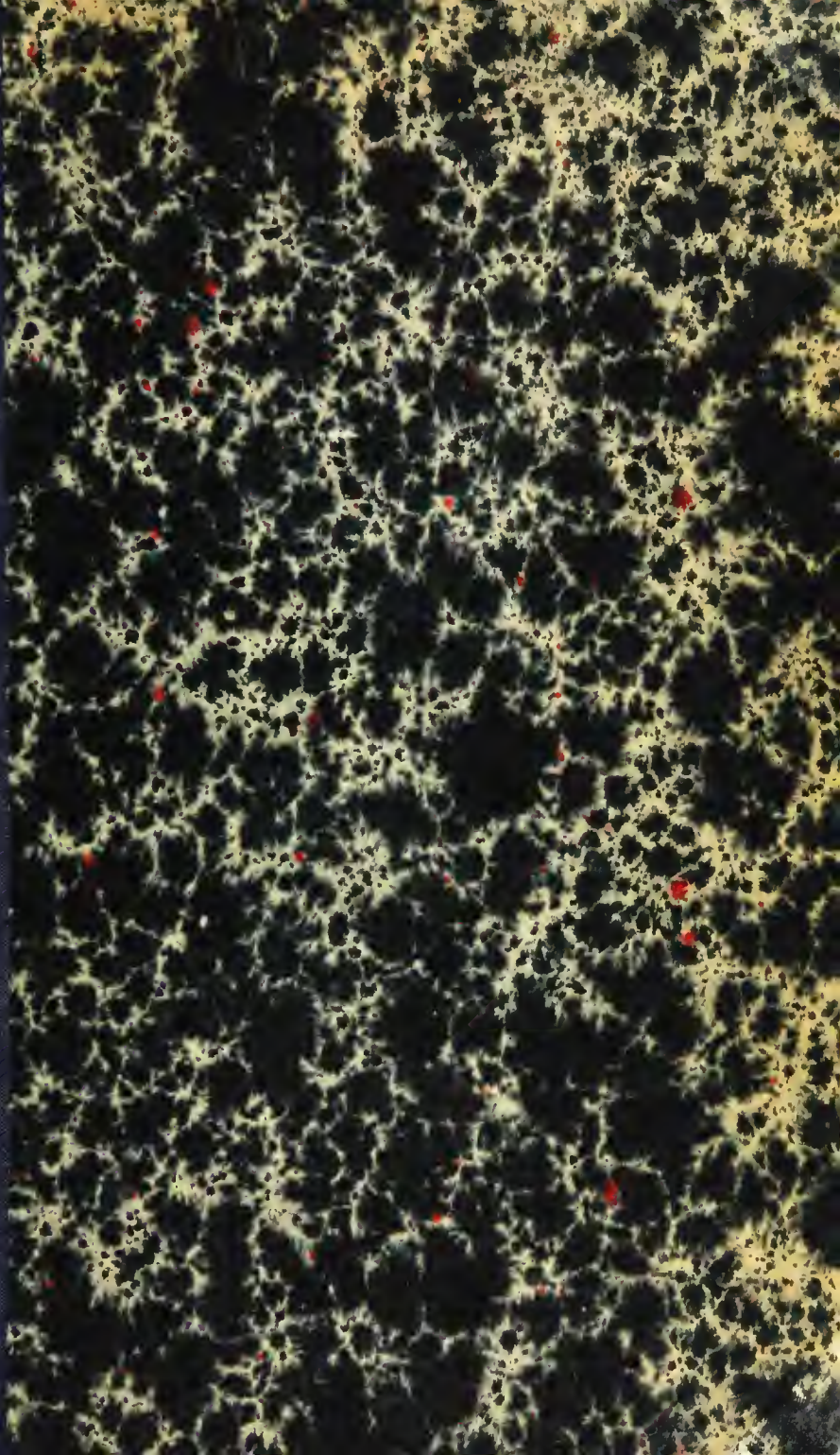
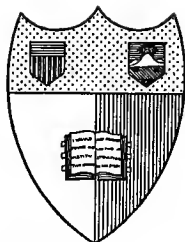


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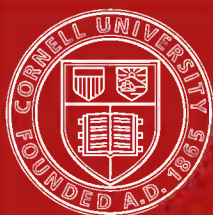
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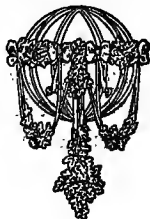
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The
SHANTUNG QUESTION

A STATEMENT OF CHINA'S
CLAIM TOGETHER WITH
IMPORTANT DOCUMENTS
SUBMITTED TO THE PEACE
CONFERENCE IN PARIS



Chinese National Welfare Society
in America

AUGUST 1, 1919

PRICE \$1.00

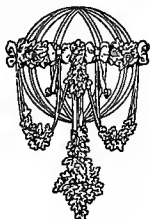
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**CHINESE NATIONAL WELFARE SOCIETY
IN AMERICA**

**308 CLUNIE BUILDING
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INTRODUCTORY.

By the Treaty of Paris Japan has been awarded territory in the Chinese Province of Shantung, together with economic and strategic rights and privileges of such importance as to practically deliver China over to the mercy of Japan.

If this award is to stand, it will give to Japan a domination in China which is tantamount to a subjugation of the Free Republic of China to the militaristic Empire of Japan, and it will confirm the old, barbarous principle expressed by the phrase, "Might is right."

China appeals to the American people not to confirm this award but to insist to have the Peace Treaty modified so that the so-called Shantung question shall be reserved for future deliberation and action, and it feels free to make this appeal as it asks for nothing but what fair play and justice would recognize.

Japan has based her claim to Shantung on the secret treaties of 1915. In order to lay before the American people all the true facts, these secret treaties extorted by Japan from a feeble Government under threat of war, as well as the so-called twenty-one demands of Japan on China, Japan's ultimatum, and important documents in connection with the question, used at the Peace Conference at Paris, are herewith submitted to a candid examination, with the serene confidence that the American people will uphold China's protest and prevent the taking of its territory by Japan.

Respectfully submitted,

By CHINESE NATIONAL WELFARE SOCIETY.

PART ONE.

"FIRST INSTRUCTIONS" TO MR. HIOKI.

1. On December 3, 1914, the Japanese Minister at Peking, Mr. Hioki, was handed at Tokyo the text of the Twenty-One Demands for presentation to the Chinese Government. They were divided into five Groups.

In the "First Instructions given by Baron Kato [then Japanese Minister for Foreign Affairs] to Mr. Hioki"—which were officially published at Tokyo on June 9, 1915 (see App. 1)—Mr. Hioki was informed that "In order to provide for the readjustment of affairs consequent on the Japan-German war and for the purpose of ensuring a lasting peace in the Far East BY STRENGTHENING THE POSITION OF THE [JAPANESE] EMPIRE, the Imperial Government have resolved to approach the Chinese Government with a view to conclude treaties and agreements mainly along the lines laid down in the first four Groups of the appended proposals [i. e., the Twenty-One Demands]..... Believing it absolutely essential, FOR STRENGTHENING JAPAN'S POSITION IN EASTERN ASIA as well as for the preservation of the general interest of that region, to secure China's adherence to the foregoing proposals, the IMPERIAL GOVERNMENT ARE DETERMINED TO ATTAIN THIS END BY ALL MEANS WITHIN THEIR POWER. You are, therefore, requested to use your best endeavour in the conduct of the negotiations, which are hereby placed in your hands" (large type added).

"As regards the proposals contained in the fifth Group," Mr. Hioki was informed that they were to be "presented as the wishes of the Imperial Government" but "you are also requested to exercise your best efforts to have our wishes carried out."

It is important, however, to state that the proposals in this fifth Group were presented to the Chinese Government as demands and not as "wishes."

Japan's War Aim.

2. Attention is directed here to these "First Instructions" to Mr. Hioki because, studied in connection with other indications of Japanese policy in China, they point reasonably to the inference that Japan's dominant aim in the war against the Central Powers was the "strengthening of Japan's position in Eastern Asia" and the Japanese Government were "determined to attain this end by all means within their power."

3. This reference to Japan's war-aim is made because it appears desirable to place all the facts before the Peace Conference in order that a correct decision may be rendered, *inter alia*, on the pending claim of the Japanese Government for "the unconditional cession of the leased territory of Kiaochow together with the railways and other rights possessed by Germany in respect of Shantung province."

If the real object for which Japan entered the war was less the destruction of German imperialism than the creation of a situation enabling her to strengthen her own "position in Eastern Asia by all means within her power," it is legitimate for China—as *the* one of the Allied and Associated States that would suffer in the event of the success of the Japanese claim—to urge the rejection of this claim on the ground that Japan entered the war and envisaged its end in a sense at variance with the principles for which the Entente Allies and America have fought and conquered.

Presentation of the Twenty-One Demands.

4. Six weeks had elapsed from the date of the "First Instructions" when it was decided that a suitable opportunity had occurred for the presentation of the Twenty-One Demands. This took place on January 18, 1915, following swiftly on the communication of a note from the Chinese Minister for Foreign Affairs in reply to a despatch from Mr. Hioki. The latter had written to state that the Japanese Government would not recognize the cancellation of the special military zone which the Chinese Government had delimited in connection with the opera-

tions of the Japanese forces besieging the small German garrison at Tsingtao within the leased territory of Kiaochow.

5. This note from the Chinese Minister for Foreign Affairs is the last of a series of six notes * passing between him and Mr. Hioki. These notes dealt not only with the special military zone but with the protest of the Chinese Government against the forcible and unnecessary seizure by the Japanese of the trans-Shantung railway, which dominates the province of Shantung.

The whole of this series of notes is important because they connect the Twenty-One Demands with the situation created in Shantung by the Japanese military authorities in their operations for the reduction of the German "fortress" of Tsingtao.

This fortress was garrisoned by 5250 German and Austrian regulars and reservists hastily assembled. Under the plea of military necessity the Japanese forces entered Chinese territory 150 miles to the rear of the "stronghold." In the land operations ensuing, the Japanese had a total of 12 officers killed and 40 wounded and 324 rank and file killed and 1148 wounded. In the naval operations, one small cruiser was sunk by a mine and 280 of the crew perished. In addition to this disaster the Navy had 40 men killed and wounded.

These figures are given not in any way to detract from the merit of Japan's principal military achievement during the war but only to indicate what operations were actually involved in the fall of the fortress.

6. The note from the Chinese Minister for Foreign Affairs points out that two months have "elapsed since the capture of Tsingtao; the basis of German military preparations has been destroyed; the troops of Great Britain have already been and those of your country are being gradually withdrawn. This shows clearly that there is no more military action in the special area, and that the said area ought to be cancelled admits of no doubt. . . . As efforts have always been made to effect an amicable settlement of affairs between your country and ours,

* These notes are included in the Appendices to the Memorandum relating to Kiaochow, filed by the Chinese Delegation, and numbered VI, VII, VIII, IX, X and XI.

it is our earnest hope that your Government will act upon the principle of preserving peace in the Far East and maintaining international confidence and friendship."

7. Within 36 hours of the expression of this earnest hope of the Chinese Government, Mr. Hioki presented to the President of the Chinese Republic a series of demands which the Government and People of China viewed as an act of the same order of policy as the Austrian ultimatum to Serbia that had plunged Europe into war just 24 weeks before.

PART TWO.

ANALYSIS OF THE TWENTY-ONE DEMANDS.

8. An examination of these Twenty-One Demands shows that their ruling purpose was to impose on China settlement not unlike in principle to the one imposed on Korea during the short period preceding the extinction of Korean independence.

Group I.

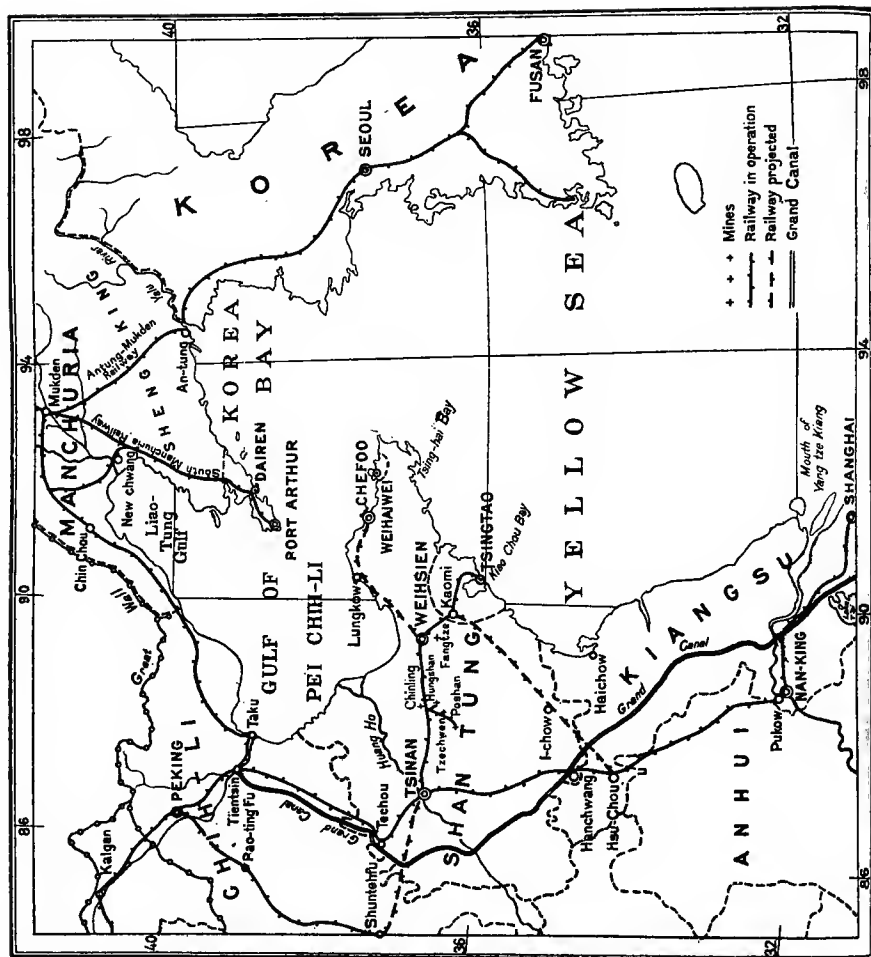
9. Group I deals with the province of Shantung, which is greater in area and in population than the whole of England, besides being a piece of China packed with memories of Confucius and hallowed as the cradle of Chinese culture.

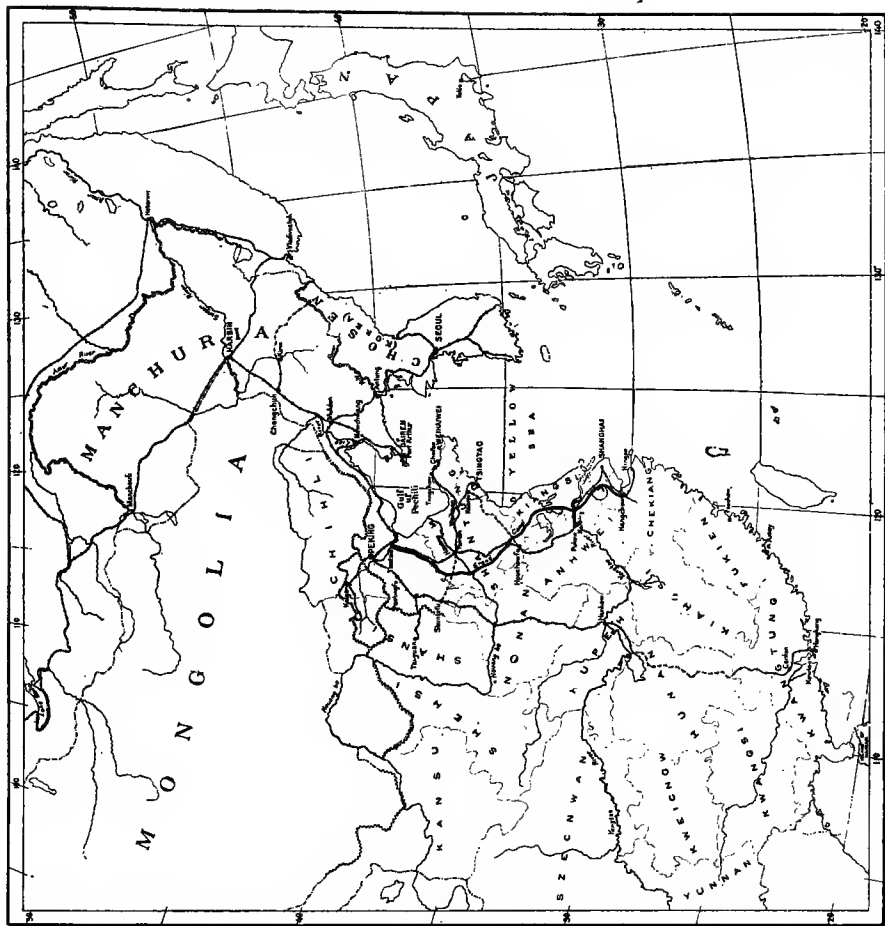
10. The first demand in this Group insists on the Chinese Government engaging to "give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung."

At the date of the Twenty-One Demands, the "rights, interests and concessions" of Germany in Shantung included the leased territory of Kiaochow with the harbour of Tsingtao, the trans-Shantung railway known as the Tsingtao-Chinan railway or Kiaochow-Tsinanfu railway, and other railway as well as mining rights in the province.

SKETCH MAP

Showing Peking in the North and the two trunk lines, the Peking-Hankow railway and the Tientsin-Pukow railway with the projected "two lines of railway"—one running from Kaomi on the trans-Shantung railway to Hsuechow on the Tientsin-Pukow railway and the other from Tsinan (Chunan) to Shunte on the Peking-Hankow railway. Note that the Tientsin-Pukow line connects the national capital, Peking, with Shanghai, the great commercial capital of the country, via Nanking; and that the Peking-Hankow line is also linking up Peking with Canton by its extension southward from Hankow now under construction.





SKETCH MAP OF SHANTUNG

Showing Tsingtao, for whose reduction Japan landed her troops at the port of Lungkow—150 miles away to the North.

The British force which co-operated with Japanese troops in the attack on Tsingtao—garrisoned by 5250 German and Austrian regulars and reservists—was landed at Laoshan Bay inside the leased territory of Kiaochow (not shown in the map). The trans-Shantung railway is also indicated in the map, connecting Tsingtao with the important inland city of Weihien and the provincial capital Chinan (Tsinan).

They were the fruits of 16 years of German aggression in Shantung province. And their transfer to Japan means that the Teutonic methods, which enabled Germany to dominate and exploit the province, will pass into the hands of a Power with a great military base already standing on Chinese soil at Port Arthur.

Railway Domination of North China.

11. The meaning of this Japanese succession to German rights in Shantung is best illustrated in the railway situation arising out of Japan's exercise of two of the "other railway rights" that were vested in Germany.

Although Japan's claim now before the Peace Conference, in so far as it relates to China, is confined to the "railways and other rights possessed by Germany in respect of *Shantung province*," she has pressed* on China the acceptance of the view that her first demand in Group I—which is substantially repeated in her Conference claim—covers the German rights to finance, construct and supply the materials for two lines of railway running into the two other provinces of Kiangsu and Chihli, though starting in Shantung.

If the Peace Conference concede this Japanese claim, the following formidable situation will be created. Through the trans-Shantung railway, with its western or inland terminus at the provincial capital of Chinanfu where it flanks the northern section of the Tientsin-Pukow railway—built by the Germans—Japan will at once dominate the whole of Shantung as well as the northern half of this important trunk line. Then, by financing, constructing and supplying the materials for the first of the aforesaid "two lines of railway"—i. e., a line from the city of Kaomi, on the trans-Shantung railway, to a point strategically dominating the southern or British constructed section of the same Tientsin-Pukow railway—Japan will practically master the great railroad linking Tientsin (the port of Peking) and North China with the Yangtze Valley and South China.

Next, by financing, etc., the second of the "two lines of railway"—i. e., a line practically extending the trans-Shantung

* In a set of secret agreement and notes concluded on September 24, 1918.

railway from Chinanfu, where it will bisect the Tientsin-Pukow trunk line, to a point westward on the Peking-Hankow railway—Japan will flank the other of the two trunk lines connecting Peking and North China with Central and Southern China.**

And when it is borne in mind that Japan also controls the railway systems in South Manchuria and Eastern Inner Mongolia, the extent of Japan's railway domination of China north of the great line of the Yangtze will be realized.

This fact also must be noted. It means the isolation of Peking, which will be cut off from Central and Southern China not only by land but by the sea-route, owing to the Gulf of Pechihli—through which Peking can be reached *via* its port of Tientsin—being directly dominated by the Japanese at Port Arthur.

The "Strategic Rear" of Weihaiwei.

12. It is further interesting to note the connection between the third demand in Group I with this strategic situation based on Japan's contemplated railway domination in Northern China. The demand requires "the Chinese Government to agree to Japan's building a railway connecting Chefoo or Lungkow" with the trans-Shantung railway.

Look at the map of Shantung and it will at once be seen that, lying obliquely opposite to Port Arthur, is the leased territory of Weihaiwei which Great Britain occupied in order to redress the "balance of power" in China when Russia seized Port Arthur.

While China cannot but view foreign occupation of Weihaiwei as well as of other leased territories in a sense derogating from her territorial integrity, it is important even from the Chinese point of view to direct attention to the fact that the strategic value of Weihaiwei could be seriously impaired if the

** It is important to note that the administration of a Japanese constructed railway in China goes far beyond that of any other foreign constructed railway in China, including even those constructed by Germany in Shantung. It means that the railway is practically manned by Japanese to the exclusion even of Chinese, that the railway is policed by Japanese gendarmerie and is guarded by Japanese troops along its entire length. That is the danger.

Power in possession of Port Arthur were to control either Chefoo or Lungkow, both of which lie to the "strategic rear" of the British leased territory.

Group II—Annexation at Work.

13. The seven demands in Group II exact in favour of Japan and her nationals a series of preferential rights, interests and privileges in South Manchuria and Eastern Inner Mongolia calculated at once to increase the existing difficulties which seriously hamper effective Chinese administration in these two areas and to develop a situation facilitating the extension thereto of the territorial system which has transformed Korea into a Japanese province.

Although all the demands in this Group vitally affect the territorial integrity and independence of China in South Manchuria and Eastern Inner Mongolia, it must suffice here to direct attention only to the first demand which insists "that the lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to a period of 99 years."

The extension of these leaseholds means the perpetuation of an alien political system in South Manchuria that immediately menaces the territorial integrity and independence of China. Through Port Arthur—the most powerful citadel in continental Asia—and the commercial base of Dalny which is linked with the South Manchuria and Antung-Mukden lines, Japan politically and commercially dominates a region through which lies the "historic road of invasions" into China. In the past, Asiatic invaders have entered the country from the North; and it was through the Manchurian "gate" that the last invaders crossed into the great plains of Northern China. . . .

History and a sense of realities seem to suggest a view of the Japanese system in South Manchuria that cannot be reconciled with the security of the Chinese Republic. And the opposition between this system of Japan and the safety of China is made sharper by the demand in question. Instead of China regaining Port Arthur and Dalny in the year 1923 as stipulated in the original lease of these places, Japan will continue to retain

them until the month of March in the "eighty-sixth year of the Chinese Republic, that is to say, in the year 1917 of the Christian Era" *—the precise month and year when Germany promised to "return" Kiaochow to China.

Group III—Japan's Iron Policy in China.

14. Besides involving the violation of the territorial integrity and sovereignty of China in Shantung, South Manchuria and Eastern Inner Mongolia, the Twenty-One Demands also encroach on Chinese economic independence by their exaction in Group III of an undertaking with respect to the Han-Yeh-Ping Company or Iron-Works well calculated to lead to ultimate Japanese acquisition of the most important industrial enterprise in the Yangtze Valley.

In its final form as insisted upon in the Japanese ultimatum, the undertaking reads "that if in future the Han-Yeh-Ping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor without the consent of the Japanese capitalists to convert it into a state enterprise, NOR CAUSE IT TO BORROW AND USE FOREIGN CAPITAL OTHER THAN JAPANESE."

Two Japanese Statements.

15. That the economic policy expressed in this Han-Yeh-Ping undertaking means Japanese control of China's natural resources, is made clear by two recent Japanese statements. In a pamphlet lately issued in Paris by Baron Makino, then acting senior member of the Japanese Peace Delegation, the declaration is made that "China has the raw material: we have need for raw material and we have the capital to invest with China in its development for use by ourselves as well as by China." This same point was emphasized in an address delivered by

* English version of the Treaties of 1915 officially published at Tokyo on June 9, 1915.

Viscount Uchida, the present Japanese Minister for Foreign Affairs, at the opening of the Diet at Tokyo last January:

"We have to rely," the Minister declared, "in a large measure, upon rich natural resources in China in order to assure our own economic existence."

CHINA DOES NOT ADMIT THAT HER NATURAL RESOURCES ARE NECESSARY TO ASSURE THE ECONOMIC EXISTENCE OF JAPAN ANY MORE THAN THE "NATURAL RESOURCES" OF ALSACE-LORRAINE WERE NECESSARY TO ASSURE THE ECONOMIC EXISTENCE OF GERMANY.

Group IV.

16. The single demand in Group IV required the Chinese Government to "engage not to cede or lease to any OTHER POWER any harbour or bay on or any island along the coast of China."

In insisting on this demand, Japan represented her object to be the more effective preservation of the "territorial integrity of China." It will be seen, however, that the demand is worded in a sense apparently excluding Japan from the category of Powers in whose favour the Chinese Government engage not to violate the territorial integrity of China. As a result of the Chinese Government's objection to a demand worded in such a dangerously ambiguous sense, the Japanese ultimatum called for a declaration by China that "no bay, harbour, or island along the coast of China may be ceded or leased to ANY POWER."

Group V.

17. Finally, we come to the set of seven demands known as Group V. It is an open secret that the existence of these demands was not admitted by Japan when public attention was first drawn to them and that they were not included in the Japanese communication replying to an inquiry of the Great Powers regarding the nature and the terms of the Twenty-One Demands.

By this Group of Demands, "influential Japanese" were to be engaged by the Chinese Government "as advisers in political, financial and military affairs." "The police departments of

important places (in China)" were to be "jointly administered by Japanese and Chinese or the police departments of these places" were to "employ numerous Japanese." "China" was to "purchase from Japan a fixed amount of munitions of war (say 50% or more) of what is needed by the Chinese Government or there shall be established in China a Chino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased."

In other words, the Chinese army—with its illimitable possibilities in man-power—was to be organized and controlled by influential Japanese military "advisers" and was to be equipped and supplied with arms and munitions of Japanese pattern and manufacture.

18. Railway rights were also demanded in this Group V which "conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of March 6, 1908, the Nanking-Changsha Railway Agreement of March 31, 1914, and the engagement of August 24, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu. For this reason the Chinese Government found themselves unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance" (Chinese Official Statement).

Japanese Missionary Propaganda.

19. Two of the demands in this Group V related to the acquisition of land for schools, hospitals and temples, as well as to the right of missionary propaganda. They presented "in the opinion of the Chinese Government grave obstacles.... the religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which they labour, Japanese monks would live with the Chinese, and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish

them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extra-territoriality now obtaining in China" (Chinese Official Statement).

Moreover, there was the fear that the "Japanese monks" might under the guise of missionary propagandists, carry on a political propaganda inconsistent with the maintenance of China's independence.

"A Foreign Power" in Fukien.

20. A short reference must be made to the demand in this Group relating to the province of Fukien, the acceptance of which—as mentioned in the next section—was included in the Japanese ultimatum, although, according to the "First Instructions" to Mr. Hioki, it was to be presented not as a demand but as a "wish."

The province happens to be the part of China lying nearest to—but at some distance from—the island of Formosa (see map facing p. 8) which was ceded to Japan as a result of her successful war against China in 1894-5. This geographical propinquity is serving as a basis for certain Japanese claims respecting Fukien. One of these claims is that Japan has a sort of right of vetoing any attempt on the part of China to utilize and develop, with foreign capital, the natural facilities on any part of the Fukien coast as a "shipyard, military coaling station, naval station or any other military establishment."

In the Japanese note relating to Fukien, which is included among the annexes to the Treaties of 1915, specific reference is made to a reported intention of the Chinese Government permitting "a foreign power"* to build a shipyard, etc., in the province. In the course of the discussion on this demand concerning Fukien, the Japanese representative justified its presentation on the ground that his Government understood that the United States was interested in some form of development-work in the province.

Meaning of "Postponed for Later Negotiation."

21. It is true that, with the exception of the demand relating to Fukien, this Group V was "postponed for later nego-

* English version of the Treaties of 1915 officially published at Tokyo on June 9, 1915.

tiation" and its acceptance was not demanded in the Ultimatum by which Japan stopped further discussion of the Twenty-One Demands and insisted on the acceptance of the demands in Groups I, II, III and IV, subject to certain unimportant verbal variations.

The Ultimatum was delivered to the Chinese Government on May 7, 1915, with the warning that "in case the Imperial [Japanese] Government fail to receive from the Chinese Government, before 6 p. m. of May 9th, satisfactory response to their advice they will take such independent action as they may deem necessary to meet the situation." *

Although this postponement of Group V for "later negotiation" was alleged by the Japanese Government to be "a mark of their good will towards the Chinese Government," it is known that this course followed representations made to Japan by other Powers. The Japanese Government, nevertheless, insisted that the Chinese Government should specifically state in their reply to the Ultimatum that Group V had been "postponed for later negotiation."

22. This statement of the case would be incomplete unless it were noted that, since the date of the Ultimatum, Japanese policy in China appears to be expressing itself in terms of the specific principles worked out in these demands in Group V "postponed for later negotiation."

M. Krupensky's Testimony.

23. What Japan means by postponing Group V "for later negotiation" is made plain by M. Krupensky, Russian Ambassador at Tokyo, in two despatches written by him to his home government. These despatches were included among the documents found in the archives of the Russian Foreign Office and published by the Russian Revolutionary Government on November 22, 1917.

M. Krupensky's first despatch is dated October 16, 1917, and reads as follows:

* English version of the Ultimatum officially published at Tokyo on June 9, 1915.

"In reply to my question as to the credibility of the rumours alleging that Japan is prepared to sell to the Chinese Government a considerable quantity of arms and munitions, Viscount Motono [then Japanese Minister for Foreign Affairs] confirmed them, and added that the Peking Government had promised not to use the arms against the Southerners. It was evident from the Minister's words, however, that this promise possessed only the value of a formal justification of this sale, infringing as the latter does the principle of non-intervention in the internal Chinese feuds, proclaimed by Japan herself..... It is most likely that the Japanese are aiming principally at obtaining the privilege of rearming the entire Chinese army, and at making China dependent in the future on Japanese arsenals and the supply of munitions from Japan. The arms to be supplied are estimated at 30,000,000 yen. At the same time, Japan intends establishing an arsenal in China for the manufacture of war materials."

M. Krupensky's Second Despatch.

The other despatch is dated October 22, 1917. It is a document of exceptional value, written as it is by one of the ablest members of the Russian Diplomatic Service, with a great knowledge of both Chinese and Japanese affairs. Before he was appointed to the Russian Embassy at Tokyo, M. Krupensky was Russian Minister at Peking—indeed, he filled this office at the time when the Twenty-One Demands were presented and negotiated in 1915.

After remarking that the reported American recognition of Japan's special position in China—then under negotiation at Washington—will "inevitably lead in the future to serious misunderstandings between us (Russia) and Japan," the document continues:—

"The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, *inter alia*, in the sense that other Powers must not undertake in China any political steps without previously exchanging views with Japan on the subject—a condition that would to some extent establish a Japanese control over the foreign affairs of

China. [It will be remembered that one of the decisive acts preceding the annexation of Korea was the conclusion of the Japan-Korea Treaty of November 17, 1905, vesting in the Japanese Government the direction and control of the foreign affairs of Korea.] On the other hand, the *Japanese Government does not attach much importance to its recognition of the principle of the open door and the integrity of China*, regarding it as merely a repetition of the assurance repeatedly given by it earlier to other Powers and implying no new restrictions for the Japanese policy in China. It is, therefore, quite possible that at some future time there may arise in this connection misunderstanding between the United States and Japan. The Minister for Foreign Affairs confirmed today in conversation with me that in the negotiations by Viscount Ishii [at Washington] the question at issue is not some special concession to Japan in these or other parts of China, but *Japan's special position in China as a whole*" (italics added).

Japan and the Lansing-Ishii Agreement.

24. In a third despatch written to the Russian Government under date of November 1, 1917, M. Krupensky explained what the Japanese Government thought regarding the possibility of misunderstanding in the interpretation of the Lansing-Ishii Agreement which recognized Japan's "special position" and "special interests" in China. Reporting that he had asked Viscount Motono, Japanese Minister for Foreign Affairs, "whether he did not fear that in the future misunderstandings might arise from the different interpretations by Japan and the United States of the terms 'special position' and 'special interests' of Japan in China," Mr. Krupensky stated: "I gain the impression from the words of the Minister that he is conscious of the possibility of misunderstandings in the future, but is of the opinion that in such a case Japan would have better means at her disposal for carrying into effect her interpretation than the United States."

The Chinese Government, when furnished with copies of these notes, lodged at Washington and at Tokyo a declaration to the effect that China, having adopted toward friendly nations the principle of justice, equality,

and respect for treaty rights, and recognizing special relations created by territorial propinquity only so far as expressed in treaties, would not permit herself to be bound by any agreement made between other nations.

The interpretation which the United States Government gives to the notes can be inferred from its statement, accompanying the publication of these notes, that these notes "not only contain a reaffirmation of the open door policy but also introduce a principle of non-interference with the sovereignty and territorial integrity of China, which, generally applied, is essential to perpetual international peace as has been so clearly declared by President Wilson."

PART THREE.

ABROGATION OF TREATIES OF 1915.

25. It is submitted that the Treaties and Notes signed and exchanged by and between the Chinese and Japanese Governments on May 25, 1915, as a result of the negotiations connected with the Twenty-One Demands and of the Japanese ultimatum of May 7, 1915, are, and do constitute one entire transaction or settlement arising out of and connected with the war between the Allied and Associated States and the Central Powers.

An essential feature of this transaction is the set of demands relating to the province of Shantung and insisting on the right of Japan to succeed to the leased territory of Kiaochow and the other "rights, interests and concessions" of Germany in the province.

That this essential feature of the transaction can only be settled by the Peace Conference is clearly admitted by the Japanese Government, because they have submitted to the Conference a claim for "the unconditional cession of the leased territory of Kiaochow together with the railways and other rights possessed by Germany in respect of Shantung province."

It follows, therefore, the entire transaction or settlement of which this Shantung claim of Japan forms an essential feature, is A MATTER DIRECTLY ARISING OUT OF THE WAR AND WITHIN THE PURVIEW OF THE PEACE CONFERENCE AND NECESSARILY SUBJECT TO ITS REVISIONARY ACTION.

War-Character of Treaties of 1915 Emphasized.

26. The war-character of these Treaties of 1915 is further attested by the opening sentence of the "First Instructions" to Mr. Hioki, which reads: "In order to provide for the readjustment of affairs consequent on the Japan-German war and for the purpose of ensuring a lasting peace in the Far East by strengthening the position of the [Japanese] Empire, the Imperial Government have resolved to approach the Chinese Government with a view to conclude treaties and agreements mainly along the lines laid down in the first four Groups of the appended proposals."

The Japanese ultimatum * also begins with a sentence, emphasizing that the demarche is due to the desire of Japan "to adjust matters to meet the new situation created by the war between Japan and Germany....."

Treaties of 1915 Signed under Coercion.

27. The fact that these Treaties of 1915 were signed by the Chinese Government of the day does not remove them from the scope of the revisionary authority of the Peace Conference. Nor can the same operate as an estoppel against China in her claim to be released from them. These Treaties were signed by the Chinese Government under coercion of the Japanese ultimatum of May 7, 1915, and in circumstances entirely excluding any suggestion that China was a free and consenting party to the transaction embodied in them.

Abrogation Involves No Injustice or Unfairness to Japan.

28. The abrogation of the Treaties of 1915 necessarily carries with it the rejection of the pending Japanese claim for the unconditional cession of the German system in Shantung.

On this point, the submission is made that no injustice or unfairness will be done to Japan in denying her claim to perpetuate German aggression in Shantung. Nor will Japan's failure in this respect place her in a position inferior to that of any of the other Powers in "territorial propinquity" to China, even assuming—which China does not admit—that Japan's "territorial propinquity" entitles her to claim a "special position" in China which has never been claimed by Great Britain and France

* English version of the Ultimatum published at Tokyo.

although their respective Asiatic possessions are also "contiguous" to the territory of the Chinese Republic.

How China Was Prevented from Intervening in the War.

29. It is also submitted that but for the attitude of Japan—inspired largely, it seems, by her desire to replace Germany in Shantung—China would have been associated with the Allies in August, 1914, and again in November, 1915, in the struggle against the Central Powers.

In August, 1914, the Chinese Government expressed their desire to declare war against Germany and to take part in the Anglo-Japanese operations against the German garrison at T'singtao. The proposal was not pressed owing to the intimation reaching the Chinese Government that the proposed Chinese participation was likely to create "complications" with a certain Power.

Again in November, 1915, the Chinese Government expressed their desire to enter the war in association with the Allies but the Japanese Government opposed the proposal.

Eventually, however, the Chinese Government addressed a note of warning to Germany on February 9, 1917, severed diplomatic relations with the latter on March 14 following, and finally declared war against Germany and Austria on August 14, 1917—the opposition of the Japanese Government having been removed in the circumstances indicated in another despatch written by M. Krupensky to the Russian Government on February 8, 1917, reporting on his efforts to induce Japan to withdraw her opposition to China's entry into the war on the side of the Allies (vide, *infra*, Section 34)*.

* In this connection, it is right to note China's war-services and offer of man-power to the Allies and America. During the war a large contingent of Chinese workers laboured for the Allies behind the battle lines in Northern France. They eventually numbered 130,678. Not a few of them were killed or wounded by enemy operations. In addition to these workers in France, a large number were employed in connection with the British operations in Mesopotamia and German East Africa; and the crews of quite a considerable number of British ships consisted of Chinese seamen.

Besides placing at the disposal of the Allied Governments nine steamers, which were greatly needed for the Chinese export trade, the Chinese Government offered to despatch an army of 100,000 to reinforce the man-power of the Allied and Associated States in France. The offer was favourably entertained by the Inter-Allied Council in Paris; but owing to Allied inability to supply the necessary tonnage for transport, the proposal eventually could not be carried out.

30. Further, it is reasonable to point out that, if Japan had not occupied it, the leased territory of Kiaochow would in any event have been directly restored to China as one of the States associated with the Allied Powers and the United States in the war against the Central Powers.

The Congress of Berlin.

31. The submission is further made that, in addition to the foregoing reasons, there are precedents justifying the Peace Conference in dealing with the Treaties of 1915 in the sense of abrogation.

The Congress of Berlin is an instance of the Great Powers, acting as a whole and collectively, revising a treaty concluded between two states, i. e., Russia and Turkey, for a variety of reasons but mainly because the settlement dictated by Russia at San Stefano was deemed ultimately to endanger the peace of Europe.

It is urged that the settlement dictated by Japan at Peking in 1915 endangers directly the peace of Far Asia and, ultimately, the peace of the world.

A Conference Ruling.

32. There are two other arguments against the validity of the Treaties of 1915. One is based on a ruling of the Conference and the other on the lack of finality affecting the Treaties.

By Article 1 of the "Treaty Respecting the Province of Shantung" (see App. 4)—which embodies the first of the Twenty-One Demands—the Chinese Government engage to recognize any agreement concluded between Japan and Germany respecting the disposition of the latter's "rights, interests and concessions" in the province; and in the notes exchanged regarding Kiaochow (see p. 41), Japan subjects the restoration of the leased territory to the condition *inter alia*, that "a concession under the exclusive jurisdiction of Japan [is] to be established at a place designated by the Japanese Government."

As regards this Article 1 of the Treaty, it is important to emphasize the point that Japan is debarred from negotiating separately with Germany in respect of the latter's system in

Shantung owing to the decision of the Conference to deal with German "territories and cessions" without consulting Germany.

On this view it is plain that Japan is not in a position to agree with Germany regarding the "free disposal" of Kiaochow and that the article in question should be deemed inoperative.

An Illusory Restoration of Kiaochow.

The same objection applies to the notes exchanged. And even if this were not so, the illusory character of the restoration of Kiaochow contemplated in them would be a proper matter for the consideration of the Peace Conference in deciding on Japan's claim for the unconditional cession of Kiaochow and the rest of the German system in Shantung.

The chief value of Kiaochow lies partly in the harbour of Tsingtao and partly in an area dominating the finest anchorage of that harbour which has been delimited by the Japanese Government and is already reserved for exclusive Japanese occupation under Japanese jurisdiction, no one other than Japanese being permitted to hold land within its boundaries.

This delimited area, presumably, is the "place to be designated by the Japanese Government" as "a concession under the exclusive jurisdiction of Japan." The restoration of Kiaochow to China, with retention by Japan of the area dominating it, would be the restoration of the "shadow" of this "place in the sun" and the retention of its substance by Japan.

Lack of Finality.

33. Since the date of the Treaties of 1915, even Japan has acted on the assumption that they are lacking in finality.

It is evident that the scheme worked out in the Twenty-One Demands and in the Treaties of 1915 demanded for its permanence the assent of the Great Powers with whom Japan was and is under agreement guaranteeing the independence and integrity of China.

Accordingly, the Japanese Government secured the conclusion of two treaties with Russia in the summer of 1916 (see App. 5). One was made public and, before its signature, was

communicated to the British Government. But the other was a secret treaty, consisting of six articles whereof the last provided that the "present Convention shall be kept in complete secrecy from everybody except the two High Contracting Parties*".

If these significant documents are to be interpreted accurately they must be studied—particularly the secret treaty—in connection with the Anglo-Japanese Treaty of Alliance of July 13, 1911. The latter provides, in Art. 3, that "the High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangement with another Power to the prejudice of the objects described in the preamble of this Agreement." One of these objects is defined to be "the preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China."

It is obvious that this specific object of the Anglo-Japanese Treaty would be infringed by the political domination of China or any portion of the territory of the Chinese Republic by either or both of the contracting parties to the secret Russo-Japanese Treaty. And yet this secret Treaty, in Art. 1, fails to provide against the "political domination of China" by either or both Japan and Russia although a secret military alliance is definitely made by the two Powers against the "political domination of China by ANY THIRD POWER."

A further comment may be added. Article 2 of the Public Treaty provides for consultation between Japan and Russia in case their territorial rights or special interests in the Far East be threatened. The specific reference to China in the Secret Treaty shows that the "special interests" of the parties contemplated were those recognized by each other as existing in China.

* Commenting on the Treaties in its issue of December 24, 1917, a great organ of British public opinion pointed out that there were considerable differences between the public and secret documents: "The Public Treaty professes to aim at maintaining a lasting peace in the Far East and makes no reference to China: the Secret Treaty is not concerned with Peace but with the interests of both contracting Powers in China.... The Public Treaty indicates consultation between the contracting parties as to the measures to be taken, the Secret Treaty points to military measures and is definitely a military alliance."

There can be no question whatever that, under the Treaties of 1915, Japan secured valuable territorial rights and special interests in great regions of China like South Manchuria, Eastern Inner Mongolia and Shantung. Indeed, the *cumulative* effect of these Treaties of 1915 is to centre in the hand of Japan a "political domination of China" conflicting with the preamble of the Anglo-Japanese Alliance.

Further Negotiations with Russia.

34. Further negotiations between Japan and Russia are reported in another despatch written by M. Krupensky to Petrograd under date of February 8, 1917.

The Ambassador was reporting on his efforts to induce Japan to withdraw her opposition to China's entry into the war on the side of the Allies. After stating that he never omitted "an opportunity for representing to [Viscount Motono] the Japanese Minister for Foreign Affairs, the desirability, in the interests of Japan herself, of China's intervention in the war" and that the Minister had promised "to sound the attitude of Peking without delay", Mr. Krupensky reported that—

"On the other hand, the Minister pointed out the necessity for him, in view of the attitude of Japanese opinion on the subject, as well as with a view to safeguard Japan's position at the future Peace Conference, *if China should be admitted to it* (italics added), of securing the support of the Allied Powers to the desires of Japan in respect of Shantung and the Pacific Islands. These desires are for the succession to all the rights and privileges hitherto possessed by Germany in the Shantung Province and for the acquisition of the Islands to the north of the equator which are now occupied by the Japanese. Montono plainly told me that the Japanese Government would like to receive at once the promise of the Imperial (Russian) Government to support the above desires of Japan."

"In order to give a push," the Ambassador added persuasively, "to the highly important question of a break between China and Germany I regard it as very desirable that the Japanese should be given the promise they ask,"

The Russian Promise.

35. This promise was given in the following communication, dated at "Tokyo, le 20 février/5 mars 1917 :

"En réponse à la notice du Ministère des Affaires Etrangères du Japon, en date du 19 février dernier, l'Ambassade de Russie est chargée de donner au Gouvernement Japonais l'assurance qu'il peut entièrement compter sur l'appui du Gouvernement Impérial de Russie par rapport à ses desiderata concernant la cession éventuelle au Japon des droits appartenant à l'Allemagne au Chantoung et des îles allemandes occupées par les forces japonaises dans l'Océan Pacifique au nord de l'équateur."

36. It is reasonable to suggest that if Japan had at this date regarded, in a sense of finality, the settlement imposed on China in 1915, there would have been no necessity for Japan to insist on Allied support of her claim regarding Shantung at the future Peace Conference.

Other Allied Promises.

37. The same remark applies to the other promises of support secured by the Japanese Government from Great Britain on February 16, 1917; from France, on March 1, 1917; and from Italy whose Minister for Foreign Affairs verbally stated on March 28, 1917, that "the Italian Government had no objection regarding the matter."

Without attempting to express here the Chinese sense of disappointment at the conclusion of these agreements at a time when China was definitely aligning herself with the Allied and Associated States in the struggle against the Central Powers, it is pertinent to state that, in the view of the Chinese Government, these Allied promises to Japan in so far as they relate to China cannot be deemed binding on Great Britain, France and Italy on the main ground that China's subsequent entry into the war on August 14, 1917, in association with the Allies and the United States involved such a vital change of the circumstances existing at the dates of the respective promises and of the situation contemplated therein that the principle of *rebus sic stantibus* necessarily applies to them.

Disclaimer by Chinese Government.

38. That the Chinese Government also regarded the Treaties of 1915 as lacking in finality is clear from the disclaimer registered in their official statement on the negotiation connected with the Twenty-One Demands.

Although threatened by the presence of large bodies of troops despatched by the Japanese Government to South Manchuria and Shantung—whose withdrawal, the Japanese Minister at Peking declared in reply to a direct inquiry by the Chinese Government, would not be effected “until the negotiations could be brought to a satisfactory conclusion”—the Chinese Government issued an official statement immediately after this “satisfactory conclusion” had been effected under pressure of the Ultimatum of May 7, 1915, declaring that they were “constrained to comply in full with the terms of the Ultimatum, but in complying the Chinese Government disclaimed any desire to associate themselves with any revision, which may be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China’s territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China.”

A “Unilateral Negotiation.”

39. The foregoing declaration was preceded by an account of the manner in which the negotiations had been conducted or, more accurately, dictated by Japan. It was shown how, faced by Twenty-One Demands of a powerful government “determined to attain this end by all means within their power” and at a selected moment when three of the Powers—with whom Japan had severally guaranteed the independence and integrity of China—were engaged in a deadly struggle with the Germanic Kingdoms, China was compelled to enter into a singularly unequal negotiation with Japan.

It was a negotiation in which the number and virtually the personnel of China’s representatives were dictated to her. It was a negotiation in which Japan refused to have official minutes of the proceedings kept as proposed by China, with the result

that the Japanese and Chinese representatives differed in their respective records of important declarations made by the latter, and, on the basis of some of these differences, the Japanese Government in their Ultimatum accused the Chinese Government of "arbitrarily nullifying" statements alleged to have been made—but in fact never made—by the senior Chinese representative. It was a negotiation in the course of which—these are the words of the Chinese Official Statement issued at the time—"the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion." In a word, it was a negotiation in which Japan dominated and dictated the course and the terms of the discussion.

Protest by United States Government.

40. Presumably it was as much this element of harshness as the subject matter of the negotiation which moved the Government of the United States concurrently to address to the Chinese and Japanese Governments, four days after the delivery of the Ultimatum to China, the following identic note:—

"In view of the circumstances of the negotiations which have taken place and which are now pending between the Government of China and the Government of Japan and of the agreements which have been reached as a result thereof, the Government of the United States has the honour to notify the Government of the Chinese Republic [Japan], that it cannot recognize any agreement or undertaking which has been entered into between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China or the international policy relative to China commonly known as the Open Door Policy. An identical note has been transmitted to the Japanese [Chinese] Government."

CONCLUSION.

Summing up the foregoing arguments, it is submitted that they establish the claim of China for the abrogation of the Treaties of 1915—

I. Because these Treaties are and constitute one entire transaction or entity arising out of the war and they attempt to deal with matters whose proper determination is entirely a right and interest of the Peace Conference;

II. Because they contravene the Allied formula of justice and principles now serving as the guiding rules of the Peace Conference in its task of working out a settlement of the affairs of nations in order to prevent or minimize the chances of war in the future;

III. Because, specifically, they violate the territorial integrity and political independence of China as guaranteed in the series of conventions and agreements severally concluded by Great Britain, France, Russia and the United States with Japan;

IV. Because they were negotiated in circumstances of intimidation and concluded under the duress of the Japanese ultimatum of May 7, 1915; and

V. Because they are lacking in finality, being so regarded by Japan who sought to make them final by negotiating—before China was suffered to enter the war in association with the Allies and the United States—a set of secret agreements at variance with the principles accepted by the Belligerents as the basis of the peace settlement.

APPENDICES.

No. 1.

**Instructions Handed at Tokyo on December 3, 1914, by
Baron Kato to Mr. Hioki in Connection with the
Twenty-One Demands and Officially Published at Tokyo**

On June 9, 1915.

First Instructions Given by Baron Kato to Mr. Hioki.

In order to provide for the readjustment of affairs consequent on the Japan-German war and for the purpose of ensuring a lasting peace in the Far East by strengthening the position of the Empire, the Imperial Government have resolved to approach the Chinese Government with a view to conclude treaties and agreements mainly along the lines laid down in the first four Groups of the appended proposals. Of these, the first Group relates to the settlement of the Shantung question, while the second Group has for its chief aim the defining of Japan's position in South Manchuria and Eastern Inner Mongolia, that is to say, securing at this time from the Chinese Government full recognition of Japan's natural position in these regions absence of which has hitherto been the cause of various questions tending to estrange the feelings of the two peoples towards each other. The object of the third Group is to safeguard the best interest of the Han-Yeh-Ping Company, with which Japanese capitalists are closely identified. It will thus be seen that there is nothing especially new in our proposals embodied in the foregoing three Groups, while as regards the fourth Group, it is only intended to emphasize the principle of China's territorial integrity, which has been so often declared by the Imperial Government.

Believing it absolutely essential, for strengthening Japan's position in Eastern Asia as well as for preservation of the

general interests of that region, to secure China's adherence to the foregoing proposals, the Imperial Government are determined to attain this end by all means within their power. You are, therefore, requested to use your best endeavour in the conduct of the negotiations, which are hereby placed in your hands.

As regards the proposals contained in the fifth Group, they are presented as the wishes of the Imperial Government. The matters which are dealt with under this category are entirely different in character from those which are included in the first four Groups. An adjustment, at this time, of these matters, some of which have been pending between the two countries, being nevertheless highly desirable for the advancement of the friendly relations between Japan and China as well as for safeguarding their common interests, you are also requested to exercise your best efforts to have our wishes carried out.

It is very likely that in the course of these negotiations the Chinese Government desire to find out the attitude of the Imperial Government on the question of the disposition of the leased territory of Kiaochow Bay. If the Chinese Government will accept our proposals as above-stated, the Imperial Government may, with due regard to the principle of China's territorial integrity and in the interest of the friendship of the two countries, consider the question with a view to restoring the said territory to China, in the event of Japan's being given free hand in the disposition thereof as the result of the coming peace conference between Japan and Germany. As, however, it will be absolutely necessary, in restoring the said territory to China, to lay certain conditions such as the opening of the territory for foreign trade, establishment of a Japanese settlement, etc., you will ask for further instructions when you propose to declare to the Chinese Government the willingness of the Imperial Government to consider the question.

[N. B. Here follow the "appended proposals" or Twenty-One Demands, divided into five Groups, for a translation of which from the Chinese text, *vide* Appendix 2.]

No. 2.

Japan's Twenty-One Demands.

Japan's Original Demands.

Handed to His Excellency the President Yuan-Shih-kai, by His Excellency, Mr. Hioki, the Japanese Minister to China, on January 18, 1915, translated from the Chinese text and published by the Chinese Government at Peking in June, 1915.

I.

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations agree to the following articles:

ART. 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ART. 2. The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third Power under any pretext.

ART. 3. The Chinese Government consents to Japan's building a railway from Chefoo or Lungkow to join the Kiaochow-Tsinanfu Railway.

ART. 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

ART. 1. The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

ART. 2. Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

ART. 3. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

ART. 4. The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

ART. 5. The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia;

(b) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

ART. 6. The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

ART. 7. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this Agreement.

III.

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Company, have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:—

ART. 1. The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

ART. 2. The Chinese Government agrees that all mines in the neighbourhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

IV.

The Japanese Government and the Chinese Government with the object of effectively preserving the territorial integrity of China agree to the following special article:—

The Chinese Government engages not to cede or lease to a third Power any harbour or bay or island along the coast of China.

V.

ART. 1. The Chinese Central Government shall employ

influential Japanese as advisers in political, financial, and military affairs.

ART. 2. Japanese hospitals, churches, and schools in the interior of China shall be granted the right of owning land.

ART. 3. Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

ART. 4. China shall purchase from Japan a fixed amount of munitions of war (say 50% or more) of what is needed by the Chinese Government or that there shall be established in China a Chino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

ART. 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang and Kiukiang and Nanchang, another line between Nanchang and Hanchow, and another between Nanchang and Chaochou.

ART. 6. If China needs foreign capital to work mines, build railways and construct harbour-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

ART. 7. China agrees that Japanese subjects shall have the right of missionary propaganda in China.

No. 3.

Japan's Ultimatum to China.

Japan's Ultimatum delivered by the Japanese Minister to the Chinese Government, on May 7, 1915, translated from the Chinese text published at Peking in June 1915.

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavour to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day as many as twenty-five conferences have been held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiation the Imperial Government have consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is on the 17th of the last month. The Imperial Government, taking a broad view of the negotiation and in consideration of the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government on the 26th of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals, the Imperial Government would, at a suitable opportunity, restore, with fair and proper conditions to the Chinese Government the Kiaochow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the 1st of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectation of the Imperial Government. The Chinese Government not only did not give a careful

consideration to the revised proposals but even with regard to the offer of the Japanese Government to restore Kiaochow to the Chinese Government the latter did not manifest the least appreciation for Japan's goodwill and difficulties.

From the commercial and military points of view Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, they went to the extent of proposing its restoration, yet to her great regret, the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government in offering the restoration of Kiaochow Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiaochow; and still further in connection with the territory of Kiaochow China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiaochow and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands the settlement of the other questions, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, commercial, industrial and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in

which Japan was engaged, the Chinese Government overlooks these facts and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government, in a compromising spirit, have formulated in accordance with the statement of the Chinese Representatives thereby making the statements of the Representatives an empty talk; and on seeing them conceding with the one hand and withholding with the other it is very difficult to attribute faithfulness and sincerity to the Chinese Authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammunition and the establishment of arsenals and railway concessions in South China in the revised proposals they were either proposed with the proviso that the consent of the Power concerned must be obtained, or they are merely to be recorded in the minutes in accordance with the statements of the Chinese delegates, and thus they are not in the least in conflict either with Chinese sovereignty or her treaties with the Foreign Powers, yet the Chinese Government in their reply to the proposals, alleging that the proposals are incompatible with their sovereign rights and treaties with Foreign Powers, defeat the expectations of the Imperial Government. However, in spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiations, yet warmly attached to the preservation of the peace of the Far East, is still hoping for a satisfactory settlement in order to avoid the disturbance of the relations.

So, in spite of the circumstances which admitted no patience, they have reconsidered the feelings of the Government of their neighbouring Country and, with the exception of the article relating to Fukien which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake to detach the Group V, from the present negotiation and discuss it separately in the future. Therefore the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Groups I, II, III, and IV and the exchange of notes in connection with Fukien prov-

ince in Group V as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offers its advice and hopes that the Chinese Government, upon this advice, will give a satisfactory reply by 6 o'clock p. m. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time, the Imperial Government will take steps they may deem necessary.

No. 4.

Treaties and Notes Signed and Exchanged Between China and Japan, on May 25, 1915.

Treaty Respecting the Province of Shantung.

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude a Treaty with a view to the maintenance of general peace in the Extreme East and the further strengthening of the relations of friendship and good neighbourhood now existing between the two nations, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-tsiang, *Chungching* First Class *Chia Ho* Decoration, Minister of Foreign Affairs;

And His Majesty the Emperor of Japan, Hioki Eki, *Jushii* Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary, and Envoy Extraordinary:

Who after having communicated to each other their full powers and found them to be in good and due form, have agreed upon and concluded the following Articles:

ARTICLE 1. The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Ger-

many, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ART. 2. The Chinese Government agrees that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway if Germany abandons the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

ART. 3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

ART. 4. The present treaty shall come into force on the day of its signature.

The present treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratification thereof shall be exchanged at Tokyo as soon as possible.

In witness whereof the respective Plenipotentiaries of the High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

Exchange of Notes Respecting Shantung.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of my Government I have the honour to make the following declaration to your Government:—"Within the

Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of the Chinese Government:—"Within the Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

In reply I beg to state that I have taken note of this declaration.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Opening of Ports in Shantung.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the Province of Shantung signed this day, will be selected and the regulations therefor will be drawn up by the Chinese Government itself, a decision

concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated "that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the Province of Shantung signed this day, will be selected and the regulations therefor will be drawn up by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Restoration of the Leased Territory of Kiaochow Bay.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

In the name of my Government I have the honour to make the following declaration to the Chinese Government:—

When, after termination of the present war, the leased territory of Kiaochow Bay is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

1. The whole of Kiaochow Bay to be opened as a Commercial Port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the foreign Powers desire it, an international concession may be established.

4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of your Government:—

“When, after the termination of the present war the leased territory of Kiaochow Bay is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

1. The whole of Kiaochow Bay to be opened as a Commercial Port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the foreign Powers desire it, an international concession may be established.

4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement, before the restoration."

In reply, I beg to state that I have taken note of this declaration.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

Treaty Respecting South Manchuria and Eastern Inner Mongolia.

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude a Treaty with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-Tsiang, *Chung-ching*, First Class *Chia-ho* Decoration, and Minister of Foreign Affairs; And His Majesty the Emperor of Japan, Hioki Eki, *Jushii*, Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary and Envoy Extraordinary;

Who, after having communicated to each other their full powers, and found them to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE 1. The two High Contracting Parties agree that the terms of the South Manchuria Railway and the Antung-Mukden Railway, shall be extended to 99 years.

ART. 2. Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings, for trade and manufacture or for prosecuting agricultural enterprises.

ART. 3. Japanese subjects shall be free to reside and travel

in South Manchuria and to engage in business and manufacture of any kind whatsoever.

ART. 4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government may give its permission.

ART. 5. The Japanese subjects referred to in the preceding three articles, besides being required to register with the local Authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.

Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

When, in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts.

ART. 6. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Mongolia as Commercial Ports.

ART. 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers.

When in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

ART. 8. All existing treaties between China and Japan

relating to Manchuria shall, except where otherwise provided for by this Treaty, remain in force.

ART. 9. The present Treaty shall come into force on the date of its signature. The present Treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratifications thereof shall be exchanged at Tokyo as soon as possible.

In witness whereof the respective Plenipotentiaries of the two High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

Exchange of Notes Respecting the Terms of Lease of Port Arthur and Dalny and the Terms of South Manchurian and Antung-Mukden Railways.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that, respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIROKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date, in which you stated that "respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened, is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Opening of Ports in Eastern Inner Mongolia.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated "that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

South Manchuria.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereinunder, except those being prospected for or worked, and the Chinese Government will then permit them to prospect or work the same; but before the Mining regulations are definitely settled, the practice at present in force shall be followed.

Provinces Fentien:—

<i>Locality</i>	<i>District</i>	<i>Mineral</i>
Niu Hsin T'ai	Pen-hsi	Coal
Thin Shih Fu Kou	"	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liaoyang to Pen-hsi	Iron

KIRIN (*Southern portion*)

Sha Sung Kang	Ho-lung	C. & I.
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day respecting the opening of mines in South Manchuria, stating: "Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereinunder, except those being prospected for or worked, and the Chinese Government will then permit them to prospect or work the same; but before the Mining regulations are definitely settled, the practice at present in force shall be followed.

Provinces Fentien:—

<i>Locality</i>	<i>District</i>	<i>Mineral</i>
1. Niu Hsin T'ai	Pen-hsi	Coal
2. Tien Shih Fu Kou	"	"
3. Sha Sung Kang	Hai-lung	"
4. T'ieh Ch'ang	Tung-hua	"
5. Nuan Ti T'ang	Chin	"
6. An Shan Chan region	From Liaoyang to Pen-hsi	Iron

KIRIN (*Southern portion*)

1. Sha Sung Kang	Ho-lung	C. & I.
2. Kang Yao	Chi-lin (Kirin)	Coal
3. Chia P'i Kou	Hua-tien	Gold

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs
of the Republic of China.

Exchange of Notes Respecting Railways and Taxes in South Manchuria and Eastern Inner Mongolia.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of my Government, I have the honour to make the following declaration to your Government:—

“China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of the taxes in the above-mentioned places (excluding the salt and customs revenue which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.”

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date respecting railways and taxes in South Manchuria and Eastern Inner Mongolia in which you stated:

“China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first, and further, the Chinese Government, when making a loan in future on the security of taxes in the above mentioned places (excluding the salt and customs revenue

which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.

In reply I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Employment of Advisers in South Manchuria.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of my Government, I have the honour to make the following declaration to your Government:—

“Hereafter, if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first.”

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of your Government:—

“Hereafter, if foreign advisers or instructors in political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first.”

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Explanation of "Lease by
Negotiation" in South Manchuria.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to state that the term lease by negotiation contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"The term lease by negotiation contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

**Exchange of Notes Respecting the Arrangement for Police
Laws and Ordinances and Taxation in South Manchuria
and Eastern Inner Mongolia.**

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that as regards the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day the Chinese Authorities will come to an understanding with the Japanese Consul before their enforcement.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:—

“As regards the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day the Chinese Authorities will come to an understanding with the Japanese Consul before their enforcement.”

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that, inasmuch as preparations have to be made regarding Articles 2, 3, 4 & 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Government proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty.

I hope your Government will agree to this proposal.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that "inasmuch as preparations have to be made regarding Articles 2, 3, 4 & 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Government proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Matter of Hanyehping.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that if in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:—

"If in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese."

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Fukien Question.

NOTE.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

A report has reached me to the effect that the Chinese Government has the intention of permitting foreign nations to establish, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; and also of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I have the honour to request that Your Excellency will be good enough to give me reply stating whether or not the Chinese Government really entertains such an intention.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date which I have noted.

In reply I beg to inform you that the Chinese Government hereby declares that it has given no permission to foreign nations to construct, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishment; nor does it entertain an intention of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

No. 5.

Russo-Japanese Treaties of 1916.

In July, 1916, Japan and Russia entered into a public treaty, the terms of which were communicated to the British Government before signature. The terms of this agreement, as published in the *Times*, on July 8, 1916, are as follows:—

“The Imperial Government of Japan and the Imperial Government of Russia, resolved to unite their efforts for the maintenance of lasting peace in the Far East, have agreed upon the following:—

“ARTICLE 1.—Japan will not be a party to any political arrangement or combination directed against Russia.

“Russia will not be a party to any political arrangement or combination directed against Japan.

“ART. 2.—Should the territorial rights or the special interests in the Far East of one of the contracting parties recognized by the other contracting party be threatened, Japan and Russia will take counsel of each other as to the measures to be taken in view of the support or the help to be given in order to safeguard and defend those rights and interests.”

The Secret Russo-Japanese Treaty.

The above treaty, as already stated, was a public one. But at the very same time Russia and Japan entered into a Secret Treaty consisting of six Articles. This treaty was first published in the *Isvestia*, and a translation appeared in the *Manchester Guardian* on February 1, 1918.

This treaty was signed on July 3, 1916. It runs as follows:

“The Russian Government and the Japanese Imperial Government have, with a view to the greater consolidation of their close friendship, established between them by the secret agreements of July 30, 1907, July 4, 1910, and July 8, 1912, agreed to supplement the above-mentioned secret agreements by the following articles:—

“ART. 1.—The two high contracting parties acknowledge that the vital interests of both require the safeguarding of China

against the political domination by any third Power entertaining hostile designs against Russia or Japan, and therefore mutually pledge themselves each time when circumstances demand it, to enter into frank relations based on complete mutual trust with one another with a view to taking joint measures for the prevention of the possibility of the advent of such a state of affairs (in China).

“ART. 2.—If as a result of the measures taken by mutual agreement by Russia and Japan, in virtue of the preceding article, war should be declared by the third Power referred to in Article 1 of the present Convention on either of the contracting parties, the other party shall on the first demand of its ally come to its assistance, and each of the high contracting parties pledges itself hereby, in case such a situation should arise, not to conclude peace with the common enemy without the previous consent of its Ally.

“ART. 3.—The terms on which each high contracting party is to render armed assistance to the other in accordance with the preceding article, as well as the form in which this assistance is to be rendered, shall be determined jointly by the respective competent authorities of the two contracting parties.

“ART. 4.—Provided that neither high contracting party shall regard itself bound by Article 2 of the present Convention in respect of rendering armed assistance to its Ally so long as it has not been given guarantees by its Allies that they, too, will render such assistance to it as would correspond to the seriousness of the impending conflict.

“ART. 5.—The present Convention enters into force from the moment of its signature, and shall remain in force until July, 1921. Should one of the high contracting parties not deem it necessary, twelve months before the expiry of this term to give notice of its unwillingness to prolong the validity of the present Convention, the latter shall remain in force for a period of one year after it has been denounced by one or other of the high contracting parties.

"ART. 6.—The present Convention shall be kept in complete secrecy from everybody except the two high contracting parties.

"In witness whereof the undersigned have confirmed the present instrument by hand and seal at Petrograd, June 20 (July 3), 1916; corresponding to the Japanese (date of Thursday) seventh month and fifth year in the reign of Taiso.

"(Signed) SAZONOFF, MOTONO."

[*N.B.*—The foregoing is an extract from "The Secret Treaties" published in London, being a compilation of the secret documents found in the archives of the Russian Foreign Office published by the Russian Revolutionary Government.]

THE CLAIM

OF CHINA FOR DIRECT RESTITUTION
TO HERSELF *of the* LEASED TERRITORY
of KIAOCHOW, THE TSING-CHINAN
RAILWAY *and* OTHER GERMAN
RIGHTS IN RESPECT
of SHANTUNG
PROVINCE



A.—Origin and Extent of Germany's Leasehold and Other Rights Respecting Shantung.

1. The German Asiatic squadron, in search of a suitable naval base and maritime harbour in the Far East, had made laborious cruises along the Chinese coast and an official German Commission had recommended the Bay of Kiaochow as the most desirable spot, when the killing of two German missionaries in November, 1897, in the interior of Shantung Province, in circumstances beyond the control of the local authorities, afforded the German Government the long sought for pretext for resorting to force in order to attain their object. Four German men-of-war, by order of the Kaiser, landed an expeditionary force on the coast of Kiaochow Bay and forthwith announced their occupation of the territory. In the face of imminent danger from the presence of German troops on Chinese territory, the Chinese Government was constrained to conclude with Germany the Convention of March 6, 1898. (1)

2. It was under this Convention that China set aside a zone of 50 kilometers around the Bay of Kiaochow at high water for the passage of German troops therein at any time while reserving to herself all rights of sovereignty; and granted to Germany a lease for ninety-nine years of both sides of the entrance to the Bay of Kiaochow with a certain number of islands.

3. Germany obtained under the same Convention the concession to construct two lines of railway in Shantung and to develop mining properties for a distance of 15 kilometers from each side of these railways. Both the railways and mining enterprises were to be undertaken by Sino-German Companies to be organized for the purpose, and Chinese and German merchants alike might subscribe to their share of stock and appoint directors for their management. Besides, the Chinese Government was made to engage that in all cases where foreign assistance, in personnel, capital or material, might be needed for any purpose whatever within the Province of Shantung, an offer should be made in the first instance to German manufacturers and merchants.

(1) Appendix No. 1.

The Tsingtao-Chinan Railway and branch, 434 kilometers in all, was one of the two lines authorized, financed and constructed by the Schantung Eisenbahn Gesellschaft, founded June 14, 1899, under a charter from the German Government, granted June 1, 1899; and which had made an agreement with the Governor of Shantung, March 21, 1900, covering the detail regulations relative to the construction and working of this line. It was opened to traffic in June, 1904.

The Concession to develop the mining properties as granted by the Convention of March 6, 1898, was taken up by the Schantung Bergbau Gesellschaft, a company which was formed October 10, 1899, under a charter from the German Government dated June 1, 1899. The properties developed or in process of development by this company were the Fantse and Hungshan Collieries and the iron mines near Kinglinchen.

By an agreement of February 5, 1913, the Schantung Bergbau Gesellschaft transferred all its rights and liabilities to the Schantung Eisenbahn Gesellschaft, which thereupon became the owner of the mining properties under consideration as well as the railway.

4. The right of protection of the Tsingtao-Chinan Railway belonged to China. Article 16 of the Railway regulations (1) made by agreement of March 21, 1900, provided:

"If troops are needed, outside the 100 li (50 kilometer) zone, they shall be despatched by the Governor of the Province of Shantung. No foreign troops may be employed for this purpose."

Article 26 of the same agreement provided:

"Should the Railway Company apply for soldiers to protect the preparatory work, the construction or the traffic of the railway, the Governor of the Province of Shantung shall at once consider the circumstances and comply with such application."

As regards the protection of the mining properties belonging to the Shantung Mining Company, Article 10 of the Mining Regulations made by agreement of March 21, 1900, provided:

(1) Appendix No. 2.

"If the Company, in course of prospecting or operating mines, or in course of building mining plants, should request the Governor of Shantung to despatch troops for protection outside the 100 li (50 kilometer) zone, he shall, on the receipt of such a petition and after considering the circumstances, forthwith comply with the request, and despatch an adequate body of troops for the purpose. As regards the amount of contribution which the Company shall pay to these guards, the matter shall be subsequently negotiated. But the Company shall not apply for foreign troops."

In 1900 German troops were sent to and remained in Kaomi and Kiaochow, which are inside the 50 kilometer zone, but outside of the leased territory. Pursuant to a convention (1) concluded November 28, 1905, between the Chinese Governor of Shantung Province and the German Governor of Tsingtao, Germany; however, withdrew the troops to Tsingtao and recognized China's right of policing that section of the railway which lay within the 50 kilometer zone as well as the remaining portion of the line westward and enforcing therein the Chinese police regulations in force in other parts of Shantung Province. A Chinese police station was forthwith established at Kiaochow and the policing work of the section within the zone was duly taken over by China.

5. Besides, Germany possessed certain railway loan options in respect of Shantung Province. By an exchange of Notes of December 31, 1913, China granted Germany an option to finance and construct and supply materials for two lines of railway, one from Kaomi to a point on the Tientsin-Pukow line, tentatively fixed at Hanchuan, and the other from Chinan to a point on the Peking-Hankow line between Shunteh and Sinhsiang; while Germany, on her part, relinquished her options in respect of Tehchow-Chenting line and the Yenchow-Kaifeng line, as well as the Concession granted in the Convention of March 6, 1898, to build a line through the Southern part of Shantung Province; and also agreed to ratify the Mining Areas Delimitation Agreement of July 24, 1911 (2), concluded between the Governor of Shantung Province and the Mining Company. Subsequently by an exchange of notes of June 10, 1914, Ger-

(1) Appendix No. 3.

(2) Appendix No. 4.

many obtained a loan option on any westward extension of the Chinan-Shuntch line, on the Chefoo-Weihsien line and the Tsining-Kaifeng line.

Under the Mining Areas Delimitation Agreement of July 24, 1911, mentioned above, Germany's mining rights in Shantung Province, which, according to the Convention of March 6, 1898, extended 15 kilometers or 10 miles on each side of the railways then to be built in the Province, were greatly curtailed. The Shantung Mining Company relinquished under this agreement all her mining rights except the Tsechuan and Fantse Collieries and the Kinglinchen iron mine. The areas of these three mining properties retained were surveyed and defined with an option for German subjects to supply capital, engineers, materials and machinery, if needed for mining operations within the areas relinquished.

B.—Origin and Extent of Japan's Military Occupation of Shantung.

1. Soon after the outbreak of the European War, China proclaimed her neutrality by a Presidential Mandate of August 6, 1914. Two weeks later the Japanese Minister informed the Chinese Government that Japan had delivered an ultimatum to Germany on August 15, advising the immediate withdrawal of German men-of-war and armed vessels of all kinds from Chinese and Japanese waters and the delivery at a date not later than September 15 of the entire leased territory of Kiaochow to the Japanese authorities, with a view to the eventual restoration of the same to China; and asking for an unconditional acceptance of the advice by noon on August 23, 1914. The purpose of this step, as stated in the preamble of the ultimatum, was "to see that causes of disturbance of peace in the Far East are removed and to take steps to protect the general interests of the Anglo-Japanese Alliance." Though not previously consulted, the Chinese Government intimated their desire to join in the contemplated course of action in regard to the leased territory of Kiaochow, and ceased to urge it only when they found it was not favorably entertained. Japan, failing to receive a reply to her ultimatum, declared war on Germany, August 23, 1914.

2. The first contingent of Japanese troops, 20,000 strong, despatched to attack Tsingtao, unexpectedly selected for the purpose of disembarkation, the port of Lungkow, which is situated on the northern coast of Shantung Province, 150 miles north of Tsingtao. They landed on September 3. In proceeding across the entire breadth of the peninsula to their destination, Kiaochow, which their advance guards reached on September 14, they deemed it necessary to occupy cities and towns en route, to seize the Chinese postal and telegraph offices, and to subject the populace to suffering and hardships, including requisitions of labour and supplies. The British force which cooperated with the Japanese troops in the attack, was landed on the other hand at Laoshan Bay, inside the German leased territory, on September 23; and owing to the fact that the distance which separated Laoshan Bay from Tsingtao was much shorter and the natural obstacles fewer than what the Japanese troops had to encounter in their preliminary advances, it arrived on the scene in time to participate in the first engagement with the Germans.

3. In order to better safeguard the neutrality of her territory, China, when confronted with the presence of Japanese troops in Lungkow, was constrained to declare, on September 3 (1), that the Chinese Government, following the precedent established in the Russo-Japanese War, would not accept responsibility for the passing of belligerent troops or any war operations at Lungkow, Laichow and the adjacent districts of Kiaochow Bay, and reconfirmed the strict neutrality of the other parts of China. The Governments of the Powers were informed of this declaration by a note of the same date. At the same time an understanding was reached with the Japanese Government that the special military zone so declared extended from the sea to a point on the railway east of the Weihsien railway station, approximately 100 miles west of Tsingtao, and that the Japanese troops should observe the limits and not encroach westward.

4. Nevertheless, on September 26, a contingent of 400 Japanese troops proceeded to Weihsien and occupied the railway station. On October 3, they compelled the withdrawal of

Chinese troops from the vicinity of the railway; and three days later, on October 6, they, notwithstanding the protests (1) of the Chinese Government, went to Chinan and occupied all the three stations in the city, thereby possessing themselves of the entire line of the railway from Tsingtao to Chinan. Japanese troops were distributed along the entire line and its employees were gradually replaced by Japanese subjects. The mining properties along the railway were seized in the same period and their exploitation resumed.

Meanwhile the military campaign to invest and capture Tsingtao proceeded until November 7, when the Germans surrendered the city of Tsingtao to the Allied expeditionary force of British and Japanese troops, who entered on November 16. The port was opened to trade on January 1, 1915.

5. Seeing that with the complete surrender of the Germans at Tsingtao, hostilities had terminated and the military measures of both belligerents had been abandoned, the Chinese Government requested the withdrawal of Japanese troops from the interior of Shantung to Tsingtao, the removal of the light railway from Lungkow to Chantien, and the taking down of the special telegraph wires attached to the Chinese telegraph poles. Unable to persuade the Japanese Government to accede to their request, but seeing that the exigencies which had compelled them to declare the special military zone had already ceased to exist, the Chinese Government revoked their previous declaration and duly notified the British and Japanese Ministers on January 7, 1915, of the act of revocation (2). To this communication the Japanese Minister replied in a note (3) of January 9, 1915, stating under instructions from his Government that the act of revocation was "improper, arbitrary, betraying in fact, want of confidence in international good faith and regardless of friendly relations," and that the Japanese Government would not permit the movements and actions of the Japanese troops in Shantung to be in any way affected by the action of the Chinese Government.

6. After the occupation of Tsingtao and the Bay of Kiaochow, Japan demanded the right to appoint about forty

(1) See Appendices Nos. 6, 7, 8 and 9.

(2) See Appendix No. 10.

(3) See Appendices Nos. 11 and 12.

Japanese subjects to the staff of the Chinese Maritime Customs which China had established under the Sino-German agreement of April 17, 1899, as amended December 1, 1905. The Chinese Government did not feel justified in acceding to the proposal as they had reason to apprehend that its acceptance might disorganize the customs administration, and as when the Germans were in control, appointments to the staff of the Chinese Customs in Tsingtao had always been made by China. When negotiations were thus pending, General Kamio, under instructions, took possession of the Customs offices and seized the archives and other property of the Chinese Customs.

7. The Province of Shantung was in this situation when the Japanese Minister in Peking, to the dismay of China, presented to the President of China on January 18, 1915, the now celebrated twenty-one demands (1), divided into five groups. The first group dealt with the question of Shantung. Negotiations extended into May, when on the 7th of that month the Japanese Government sent an ultimatum (2) to China demanding a satisfactory reply within forty-eight hours. At the same time reports reached Peking of the increase of Japanese garrisons in Manchuria and Shantung. In the face of these circumstances the Chinese Government had no other course to follow than to yield to the wishes of Japan (3). China was constrained to sign on May 25th, 1915, among other things, a treaty (4) in respect of Shantung Province, accompanied by three sets of notes. The Chinese Government felt compelled to give their consent, however unwillingly, only in order to maintain the peace of the Far East, to spare the Chinese people unnecessary suffering, and to prevent the interests of friendly Powers in China from being imperilled at a time when they were already engaged in an unprecedented struggle against the Central Powers for the vindication of right, liberty, and justice; and because she felt confident, moreover, that the final settlement of this question as of the other questions dealt with in the agreement made in consequence of the twenty-one demands, could be effected only at the Peace Conference.

(1) Appendix No. 13.

(2) Appendices Nos. 14 and 15.

(3) Appendix No. 16.

(4) Appendix No. 17.

8. Under an Imperial Ordinance, No. 175, of October 1, 1917, the Japanese Government established a Civil Administration at Tsingtao with branches at Fantse, Chantien and Chinan, all of which three cities are situated along the railway outside of the leased territory and of the 50 kilometer zone. Fantse, the nearest of the three above-mentioned cities to Tsingtao, is separated from it approximately by a distance of 90 miles. The Fantse branch of the Japanese Civil Administration has even asserted jurisdiction in law suits between Chinese and has levied taxes on them. The Kiaochow-Chinan Railway and the mines were also placed under the control of a railways department of the Civil Administration.

9. Public opinion in China, especially in Shantung, became alarmed at the continued presence of the Japanese troops along the railway, extending as it does, into the heart of Shantung, and at the establishment of these Japanese bureaux of Civil Administration aiming, in the view of the Chinese people, at the permanent occupation of that Province—one to which their hearts are profoundly attached. They brought such pressure to bear upon the Chinese Government that the latter deemed it advisable to find some means of appeasing their minds until the war was terminated, and until the Peace Conference had met to settle all questions affecting the future peace of the world. Negotiations were opened with the Japanese Government and a preliminary agreement (1) was concluded with them on September 24, 1918, making a loan for the construction of two railways to connect the Tsingtao-Chinan Railway with the Tientsin-Pukow-Nanking-Shanghai line at Hsuchow and the Peking-Hankow line. In consideration thereof, the Japanese Government, in an exchange of notes (2), also dated September 24, 1918, agreed, among other things, to withdraw the Japanese troops along the Tsingtao-Chinan Railway to Tsingtao, except a contingent of them to be stationed at Chinan, and to abolish the existing Japanese Civil-Administration bureaux in Shantung. An advance of twenty million yen was made, but the final agreement has not to date been signed.

(1) Appendix No. 20. See also appendices Nos. 19, 22 and 23.

(2) Appendix No. 21.

C.—Why China Claims Restitution.

1. The leased territory of Kiaochow, including the bay and islands therein, is and has always been an integral part of Chinese territory. The nationality has never been in question. On the contrary, the sovereignty of China over the territory is reserved in the Lease Convention. Besides, the lease to Germany in 1898 originated in an act of aggression on her part, and was granted by China only under coercion in circumstances already described in Part A of this memorandum. The railway and mining rights which Germany possessed in Shantung Province before the war were part of the same grant. Restitution to China of these rights and the leased territory would, therefore, be a mere act of justice to her in consonance with the accepted principle of territorial integrity and of nationality, while return of the same to Germany, or their transfer to any third power, would be to deny justice to China.

2. The Province of Shantung, of which the leased territory of Kiaochow is a part, and in which the German-built Railway, now in Japanese occupation, stretches from Tsingtao to the interior over a distance of 254 miles, contains a population of 38 million inhabitants, who are proud and intensely patriotic. They are part and parcel of the homogeneous Chinese race. They speak and write the same Chinese language, and believe in the same Confucian religion as the Chinese people in the other Provinces of China. They meet every requirement of the principle of nationality: they are indeed the very embodiment of the principle itself. Nor is there any doubt of their earnest desire to free their own Province from the menace of Germany, or of any other Power.

3. Historically, Shantung is the birthplace of China's two greatest sages, Confucius and Mencius, and the cradle of Chinese civilization. It is, in fact, the Holy Land for the Chinese people. Every year thousands of Chinese scholars, pilgrims of Confucianism, travel to Chufou, in the heart of the Province, to do homage to the revered memory of the illustrious sages. The eyes of the entire Chinese people are focussed on this Province, which has always played and still plays a very important part in the development of China.

4. The dense population in Shantung Province creates a keen economic competition. To earn a livelihood is a difficult thing for 38,347,000 inhabitants limited to the resources of agriculture in a Province of 35,976 square miles. The population is almost equal to that of France, with a territory, however, only one-quarter as large. It is evident, therefore, that there is no room for the inflow of the surplus population of any foreign Power. The creation of a special sphere of influence or special interests therein could lead only to the unjustified exploitation of the Chinese inhabitants.

5. Besides, Shantung Province possesses all the elements for the economic domination of North China. Its large population provides a growing market for foreign merchandise, while its rich mineral resources and abundance of raw materials are conducive to the development of industries. More important than these, however, is the fact that the Bay of Kiaochow is destined to be at once the chief outlet for the products of North China and the principal port of entrance for foreign goods destined for the same regions. Kiaochow has indeed been the principal port of Shantung for many centuries. Thither the products of the Province were brought down in a canal built in the year 1200 and connected with Weihsien, the most important market of the interior. Though Kiaochow itself has ceased to be a maritime town after the torrents which emptied into the bay had gradually filled the northern part, yet Shantung now possesses the port of Tsingtao, which occupies a point on the coast corresponding to the port of Kiaochow. Reinforced by new arteries of trade, including the Tsingtao-Kiaochow-Weihsien-Chinan Railway, which is connected at the last-mentioned city with the Peking-Tientsin-Nanking-Shanghai system of railways, and being situated on the brink of the Kiaochow Bay which, unlike the Peiho of Tientsin, never freezes, but is well sheltered from the winter winds, the new emporium is in a position to tap the trade of the whole of North China. Nowhere, therefore, is the building up of a foreign sphere of influence more dangerous to international trade and industries; nowhere can the open door policy be upheld with greater advantage to the common interests of all foreign Powers, than in the

Province of Shantung; and no country is in a better position to uphold it than China herself.

6. Strategically, the Bay of Kiaochow commands one of the gateways of North China. By the existence of the Tsingtao-Chinan Railway, which is connected at the latter mentioned terminal with the railway of Tientsin and Peking, it controls, too, one of the quickest approaches from the sea to the capital of the Chinese Republic, one other being the line of railway commencing from Port Arthur and Dalny to Mukden and thence to Peking. In the interest of her national defence and security, no less than on other grounds, the Chinese Government have wished to terminate the German occupation of Tsingtao and Kiaochow Bay, and now that, thanks to the Anglo-Japanese Allied force, Germany has been expelled therefrom, China earnestly desires to retain these strategically vital points in her own hands.

7. Examined from various points of view, the question of the leased territory of Kiaochow with its appurtenant rights is susceptible of only one satisfactory solution. By restoring it to China, together with the railway and other rights, the Peace Conference would be not only redressing a wrong which has been wantonly committed by Germany, but also serving the common interests of all nations in the Far East. The people of Shantung Province are a sensitive people, they resent any foreign penetration looking to political or economic domination of their Province, and they do not always hesitate to manifest their resentment. They resented bitterly the German occupation of the Kiaochow Bay and the German penetration into the Province of Shantung. They resent even the present temporary occupation of the leased territory and the railway by a friendly associate and partner in the War, as evidenced in the protests of the Provincial Legislature, of the gentry and of the Chamber of Commerce. And their feeling is shared by the people in the other Provinces of China. The difficulty with which the Chinese Government have restrained them from manifesting their opposition in a more energetic way than making protests is indicative of their profound feelings on the question. It is felt that non-restitution might give cause to friction not only between China and any foreign Power which was to hold the leased territory,

the railway and other rights of Germans, but more particularly between the people of Shantung and the nationals of such a Power. It would be difficult to reconcile it with the declared purpose of the attack on Tsingtao, which was "to secure a firm and enduring peace in Eastern Asia"; nor would it be consonant with the objects of the alliance between Japan and Great Britain, one of which was stated to be "the preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire, and the principle of equal opportunities for the commerce and industry of all nations in China."

D.—Why Restitution Should Be Direct.

In dwelling upon the ground justifying complete restitution to China of the leased territory of Kiaochow, the Tsingtao-Chinan Railway and other appurtenant rights, the Chinese Government is far from suggesting, still less from apprehending, that Japan, in claiming from Germany the unconditional surrender of the leasehold and the railway rights, would not return the same to China after she had obtained them. On the contrary, China has every confidence in Japan's assurances to her. If emphasis has been laid on the point of complete restoration to China, it has been done only for the purpose of focusing attention on the fundamental justice of such a step.

1. But of this restoration there are two possible modes, direct restitution to China, and indirect restitution through Japan; and of the two, the Chinese Government prefers the first course, because, among other reasons, it is a simpler procedure and less likely to give rise to complications. It is preferable to take one step than two, if it leads to the same point of destination. Moreover, the fact that China, participating in the glorious victory of the Allies and Associates, received direct from Germany the restitution of Tsingtao and other rights of Shantung, will comport to her national dignity and serve to illustrate further the principle of right and justice for which the Allies and Associates have fought the common enemy.

2. In asking for direct restitution the Chinese Government is not unaware of the sacrifices which Japan has made in dis-

lodging Germany from Tsingtao, nor of the losses she has sustained in life and treasure. For this act of neighbourly service so nobly performed by her brave army and navy, the Government and people of China feel sincerely grateful. They feel indebted also to Great Britain for having cooperated in this task at a time of great peril to herself in Europe. Nor are they forgetful of their indebtedness to the troops of the other Allied and Associated Powers who held in check an enemy who might otherwise have easily sent reinforcements to the Far East, thereby prolonging hostilities there. China appreciates those services all the more keenly because her own people in Shantung have suffered and been obliged to undergo sacrifices in connection with the military operations of the Allied forces for the capture of Tsingtao. But grateful as China is, she does not feel justified in admitting that her territorial rights could be affected *ipso facto* by a war between other Powers, she not having then entered the War. Furthermore, the sacrifices of Japan could receive no greater or more substantial compensation than in the full attainment of her declared object in the War, namely, the elimination of German menace to the peace of the Far East.

3. Nor is the Chinese Government oblivious of the fact that Japan has been for four years a military occupant of the leased territory, the railway and other rights. But military occupation pending the termination of a war, it is submitted, does not of itself give title to the territory or property occupied. It is in any case only temporary and subject to confirmation or termination at the Peace Conference, where the general interests of all the Allied and Associated Powers in the War are to be considered. In the present case, Japan's military occupation of the leased territory and the railway has, from the day of China's Declaration of War on Germany and Austria-Hungary (1), been against the rights of China, as Associate and partner in the War, and, in the case of the railway, has been against her protest from the very beginning.

4. It is true that on May 25, 1915, China concluded with Japan a treaty in relation to Shantung Province, the first article of which reads:

(1) Appendix No. 18.

"The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung."

It is to be recalled, however, that this treaty, together with another in relation to Manchuria and Eastern Inner Mongolia and a number of exchanges of notes, was the outcome of the 21 demands imposed on China by Japan on January 18, 1915, without the least provocation. China reluctantly agreed to it only after having received an ultimatum from Japan calling for a satisfactory reply within forty-eight hours.

Apart from the circumstances under which the treaty was made—circumstances which were most painful to China—it was in the view of the Chinese Government at best merely a temporary arrangement subject to final revision by the Peace Conference, because it dealt primarily with a question which had arisen from the War and which, therefore, could not be satisfactorily settled except at the final Peace Conference. The same view applies to the agreement made more recently in respect of the Kiaochow-Chinan Railway and other railway concessions formerly granted to Germany.

Moreover, careful examination of the article above mentioned will reveal the fact that it does not confer on Japan any claim to the leased territory, the railway or the other German rights in Shantung; it merely gives her an assurance of China's assent to all matters relating to the disposition of Germany's rights, interests and concessions which may eventually be agreed on between Japan and Germany. This assurance was clearly subject, however, to the implied condition that China remained neutral throughout the War, and therefore, would be unable to participate in the final Peace Conference. Any other interpretation of this article would have to attribute to Japan an intention which she could not have entertained consistently with her express declaration, as, for instance, in her treaty of alliance with Great Britain, of her desire to insure, among other things, the independence of China. For to have denied China the right

to declare war, to sit in the Peace Conference and defend her own rights and interests would have meant the denial to her of an essential right accruing from her political independence. China's entry into the War so vitally changed the situation contemplated in the treaty that on the principle of *rebus sic stantibus*, it ceased to be applicable.

5. Furthermore, since China had expressly stated in her Declaration of War that all treaties, agreements and conventions, heretofore concluded between China and Germany, were abrogated by the existence of the state of war between them, the Lease Convention of March 6, 1898, under which Germany had held the leased territory, the railway and other rights, was necessarily included in the act of abrogation; and all the leasehold rights of Germany might be therefore considered to have reverted in law to the territorial sovereign and original lessor state. In other words, Germany has lost her leasehold rights and now possesses no rights in relation to Shantung which she can surrender to another Power. If it be contended that the War had not conclusively abrogated the Lease Convention, then Germany, because of an express prohibition in the Convention, would be no more competent to transfer the leased territory to a third Power. As regards the railway, the right is expressly reserved to China in the Railway Agreement of March 21, 1900, to buy the line back, implying a prohibition against transfer to a third Power.

In view of the foregoing considerations, the Chinese Government earnestly trust that the Peace Conference will find their claim for direct restitution to China of the leased territory of Kiaochow, the Tsingtao-Chinan Railway, and other German rights in relation to Shantung Province, as one well-founded in law and justice. Full recognition of this claim, they believe, will cause the Government and people of China to feel deeply indebted to the Powers, especially to Japan, for their sense of justice and their spirit of altruism. It will serve at once to strengthen the political independence and territorial integrity of China, which the Chinese Government believe Japan and other friendly Powers are sincerely desirous of upholding, and to secure, by a new guarantee, the permanent peace of the Far East.

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No. 1.**Convention Between China and Germany Respecting the Lease of Kiaochow to Germany, March 6, 1898.**

The incidents connected with the Mission in the Prefecture of Tsao-chow-fu, in Shantung, being now closed, the Imperial Chinese Government consider it advisable to give a special proof of their grateful appreciation of the assistance rendered to them by Germany. The Imperial German and the Imperial Chinese Governments, therefore, inspired by the equal and mutual wish to strengthen the bonds of friendship which unite the two countries, and to develop the commercial relations between the subjects of the two States, have concluded the following separate Convention:

SECTION I.**Lease of Kiaochow.**

ART. 1.—His Majesty the Emperor of China, guided by the intention to strengthen the friendly relations between China and Germany, and at the same time to increase the military readiness of the Chinese Empire, engages, while reserving to himself all rights of sovereignty in a zone of 50 kilom. (100 Chinese li) surrounding the Bay of Kiaochow at high water, to permit the free passage of German troops within this zone at any time, and also in taking any measures, or issuing any ordinances therein, to previously consult and secure the agreement of the German Government, and especially to place no obstacle in the way of any regulation of the water-courses which may prove to be necessary. His Majesty the Emperor of China, at the same time, reserves to himself the right to station troops within this zone, in agreement with the German Government, and to take other military measures.

ART. 2.—With the intention of meeting the legitimate desire of His Majesty the German Emperor, that Germany like other Powers should hold a place on the Chinese coast for the repair and equipment of her ships, for the storage of materials and provisions for the same, and for other arrangements connected therewith, His Majesty the Emperor of China leases to

Germany, provisionally for ninety-nine years, both sides of the entrance to the Bay of Kiaochow. Germany engages to construct, at a suitable moment, on the territory thus leased, fortifications for the protection of the buildings to be constructed there and of the entrance to the harbour.

ART. 3.—In order to avoid the possibility of conflicts, the Imperial Chinese Government will not exercise rights of administration in the leased territory during the term of the lease, but grants the exercise of the same to Germany, within the following limits:

1. On the northern side of the entrance to the Bay:

The Peninsula bounded to the northeast by a line drawn from the northeastern corner of Potato Island to Loshan Harbour.

2. On the southern side of the entrance to the Bay:

The Peninsula bounded to the southwest by a line drawn from the southwesternmost point of the Bay lying to the south-southwest of Chiposan Island in the direction of Tolosan Island.

3. The Island of Chiposan and Potato Island.

4. The whole water area of the Bay up to the highest watermark at present known.

5. All islands lying seaward from Kiaochow Bay, which may be of importance for its defence, such as Tolosan, Chalienchow, etc.

The High Contracting Parties reserve to themselves to delimit more accurately, in accordance with local traditions, the boundaries of the territory leased to Germany and of the 50 kilom. zone round the Bay, by means of Commissioners to be appointed on both sides.

Chinese ships of war and merchant vessels shall enjoy the same privileges in the Bay of Kiaochow as the ships of other nations on friendly terms with Germany; and the entrance, departure and sojourn of Chinese ships in the Bay shall not be subject to any restrictions other than those which the Imperial German Government, in virtue of the rights of administration

over the whole of the water area of the Bay transferred to Germany, may at any time find it necessary to impose with regard to the ships of other nations.

ART. 4.—Germany engages to construct the necessary navigation signs on the islands and shallows at the entrance of the Bay.

No dues shall be demanded from Chinese ships of war and merchant vessels in the Bay of Kiaochow, except those which may be levied upon other vessels for the purpose of maintaining the necessary harbour arrangements and quays.

ART. 5.—Should Germany at some future time express the wish to return Kiaochow Bay to China before the expiration of the lease, China engages to refund to Germany the expenditure she has incurred at Kiaochow and convey to Germany a more suitable place.

Germany engages at no time to sublet the territory leased from China to another Power.

The Chinese population dwelling in the leased territory shall at all times enjoy the protection of the German Government provided that they behave in conformity with law and order; unless their land is required for other purposes, they may remain there.

If land belonging to Chinese owners is required for any other purpose, the owner will receive compensation.

As regards the re-establishment of Chinese customs stations which formerly existed outside the leased territory but within the 50 kilom. zone, the Imperial German Government intends to come to an agreement with the Chinese Government for the definite regulations of the customs frontier, and the mode of collecting customs duties in a manner which will safeguard all the interests of China, and propose to enter into further negotiations on the subject.

SECTION II.

Railways and Mines.

ART. 1.—The Chinese Government sanctions the construction by Germany of two lines of railway in Shantung. The first will run from Kiaochow to Chinan and the Boundary of Shantung Province *via* Weihsien, Tsingchow, Poshan, Tzechwan and Tsowping. The second line will connect Kiaochow with I-chow, whence an extension will be constructed to Chinan through Laiwu-Hsien. The construction of the line from Chinan to the boundary of Shantung Province shall not be begun till after the completion of the construction of the line to Chinan, so that a further arrangement may be made with a view to effecting a connection with China's own railway system. What places the line from Chinan to the provincial boundary shall take in *en route* shall be specified in the regulations to be made separately.

ART. 2.—In order to carry out the above-mentioned railway work a Chino-German Railway Company shall be formed with branches in one or more places, and in this Company both German and Chinese merchants shall be at liberty to raise the capital and appoint directors for the management of the undertaking.

ART. 3.—All arrangements for the above purposes shall be determined in an additional agreement to be concluded by the High Contracting Parties as soon as possible. China and Germany will settle this matter by themselves, but the Chinese Government will accord favorable treatment to the said Chino-German Railway Company in constructing and operating the above-mentioned lines and extend to them other privileges enjoyed by Chino-Foreign Companies established in other parts of China.

The above article is conceived only in the interest of commerce: it has no other design. Positively no land or territory in the Province of Shantung may be annexed in the construction of the above-mentioned railways.

ART. 4.—In the vicinity of the railways to be built, within 30 li of them, as, for instance, in Weihsien and Poshan Hsien on the Northern line from Kiaochow to Chinan and as in Ichow Fu and Laiwu Hsien on the Southern line from Kiaochow *via* Ichow to Chinan, German merchants are permitted to excavate coal, etc. The necessary works may be undertaken by Chinese and German merchants combining the capital. The mining regulations shall also be subsequently negotiated with care. The Chinese Government will, according to what has been stipulated for in the provision concerning the construction of railways, also accord favorable treatment to the German merchants and workmen, and extend to them other privileges enjoyed by Chino-Foreign Companies established in other parts of China.

This article is also conceived only in the interests of commerce, and has no other design.

SECTION III.

Affairs in the Whole Province of Shantung.

If within the Province of Shantung any matters are undertaken for which foreign assistance, whether in personnel, or in capital, or in material, is invited, China agrees that the German merchants concerned shall first be asked whether they wish to undertake the works and provide the materials.

In case the German merchants do not wish to undertake the said works and provide the materials, then as a matter of fairness China will be free to make such other arrangements as suits her convenience.

Ratifications.

The above agreement shall be ratified by the Sovereigns of both Contracting States, and the ratifications exchanged in such manner that, after the receipt in Berlin of the Treaty ratified by China, the copy ratified by Germany shall be handed to the Chinese Minister in Berlin.

The foregoing Treaty has been drawn up in four copies, two in German and two in Chinese, and was signed by the

Representatives of the two Contracting Parties on the 6th March, 1898, equal to the 14th day of the 2nd month in the 24th year Kuang-Hsu.

LI HUNG CHANG,

(Great seal of the Tsung-li Yamen) (In Chinese), Imperial Chinese
Imperial German Minister Grand Secretary Minister of the
Tsung-li Yamen, etc.

BARON VON HEYKING.

WENG TUNG HO,

(In Chinese) Grand Secretary, Member of the Council of State,
Minister of the Tsung-li Yamen, etc., etc.

No. 2.

Agreement Between China and Germany Respecting the Kiaochow-Chinan Railway Regulations, March 21, 1900.

His Excellency the Governor of the Province of Shantung Yuan Shih Kai, and His Excellency the Lieutenant General Yin Chang, upon petition of the Governor of Shantung, especially delegated by Imperial decree to these negotiations, on the one side, and the Managing Board of the Shantung Railway Company at Tsingtao, represented by Mr. H. Hildebrand, a Royal Inspector of Prussian Railways, on the other side, have, in order to prevent agitation and disturbances of any kind in Shantung during the period of building the railway and to maintain friendly relations between the population of the province and the Company, agreed upon the following Railway Regulations with regard to the line of railway between the boundaries of the German leased territory and Chinanfu, subject to the approval of the Board of Directors of the Shantung Railway Company in Berlin and reduced to writing in Chinese and German texts of like tenour.

ART. 1.—In accordance with Art. 4, section 2, of the afore-said Kiaochow Convention a German-Chinese Railway Company shall be formed, issuing shares to German and Chinese subjects. This Company shall for the present be under Ger-

man management. It shall half-yearly notify the Chiao Se Chuo at Chinanfu of the number of shares purchased by Chinese. As soon as the amount of such shares has reached Taels 100,000, the Governor of the Province of Shantung shall delegate a Chinese official for co-operation at the seat of the Company.

ART. 2.—Should in future branches of the Administration of the Company be established in Shantung, one Chinese official shall be delegated to each one of them.

ART. 3.—Officials or respectable citizens shall be consulted upon the location of the railway, in order to take as far as possible into consideration the interests of the population. To avoid difficulties in negotiations, these shall be conducted on the Chinese side by Chinese officials delegated by the Governor of Shantung. The technical determinations of the location of line shall be left to the Company's engineers. A sketch plan of the line's location, done in a scale of 1 : 25,000 shall be submitted to the Governor of Shantung for information and only thereafter land may be purchased. The construction of the railway cannot be begun before the land has actually been purchased.

The purchase of land shall be done peacefully and quickly as hitherto, so that the construction of the railway be not delayed by purchasing land or by difficulties arising from disputes with individual owners. To avoid all such difficulties the above-mentioned Chinese official shall act as mediator when land is purchased and shall settle all disputes eventually arising. The land shall be purchased in an honest way according to the locally customary ruling price.

The Company shall not be allowed to buy more land than necessary for the railway enterprise, and future extension thereof.

Meanwhile the following minima may be purchased:

For stopping points a plot of land 630 m. long and 70 m. wide.

For country stations a plot of land 730 m. long and 100 m. wide.

For small town stations a plot of land 850 m. long and 130 m. wide.

For stations of larger towns the plots of land have to be larger, corresponding to actual importance of the place in question. The land necessary for the supply of earth to construct embankments is not included in the foregoing areas. 1 m. is equal to 2 feet 9.6 inches; 1 foot is equal to 0.338 m.

ART. 4.—Wherever water courses are met, sufficient flow has to be provided for by building bridges and culverts so that agriculture may suffer no damage.

ART. 5.—The road is to be located in such a way as not to damage or cut through city walls, fortifications, public edifices and important places.

ART. 6.—Houses, farmsteads and villages, temples, graves and above all high-class graveyards belonging to the gentry which are fenced in and planted with trees shall be avoided by the railway as far as possible. So far as this is impossible the local authorities shall give notice to the owners two months beforehand and settle with them a compensation of an amount enabling them to erect graveyards, etc., of the same condition at another place without sustaining any loss of money.

ART. 7.—In surveying the land to be purchased the “kung” shall be used as unit. One kung is equal to 5 official feet, one foot is equal to 0.338 m. One Mu is counted to be 360 kung or equal to 9000 square feet.

As to the land tax to be paid by the Shantung Railway Company the same regulations shall be applied as in force for the most-favoured Railway Company in any other place of China.

ART. 8.—Injuries done to crops during preparatory or construction work are to be made good by the Company according to prices to be settled with the local authorities.

ART. 9.—The salaries of the assistants placed by the local authorities at the disposition of the Railway at its wish shall be paid by the latter. These salaries shall not be included in the price of land purchased.

The money for the land is to be paid into the hands of the District-Magistrate, who is responsible for the proper payment to the different owners entitled to receive the money.

The District-Magistrate also has to hand over the title deeds to the Railway Company.

ART. 10.—The Railway Administration intending to rent houses for offices and residences near the work places shall apply to the District-Magistrate who will make the necessary arrangements with the owners and will on its behalf conclude the contracts.

ART. 11.—The purchase of material necessary for the construction of the railway shall be transacted in a fair manner and the usual market-price shall be paid for same. If necessary the intervention of the District-Magistrate shall be applied for.

ART. 12.—The exchange of different kinds of money shall always be done at the rate ruling on the day.

ART. 13.—The Railway Company is not permitted to construct without special permission of the Governor of Shantung other railroads than those mentioned in the Kiaochow Convention, including the branch line to Poshanhsien.

Branch lines connecting coal and other mines and places where building or ballasting materials are to be taken, connecting with the main line, may be built without special authorization. It is however understood that previous notice of the construction of such lines has to be given to the Governor of Shantung.

ART. 14.—Foreigners, travelling or doing business in the interior of the Province of Shantung, in order to enjoy better protection, must be provided with passports duly sealed by the proper Chinese and German authorities. Chinese local authorities cannot assume responsibility if such a passport is not produced.

ART. 15.—German and Chinese employees of the Railway Company are to be provided with certificates attested by the

seals of the Railway Administration and of the local Authorities, in order, when necessary, to prove their official capacity.

The engineers, when surveying, shall be accompanied by an official, delegated by the District-Magistrate. This official shall, if necessary by police-force, render assistance in protecting the property of the Railway Company and the survey poles.

Persons fraudulently pretending to be employees of the Railway Company shall be arrested and punished by the Local Authorities.

ART. 16.—If troops are needed, outside of the 100 li (50 kilometer) zone, they shall be despatched by the Governor of the Province of Shantung. No foreign troops may be employed for this purpose.

The Governor of the Province of Shantung binds himself to take effective measures during the period of surveying as well as when the railway is under construction or opened for traffic to prevent any damage being done to it by the mob or by rebels.

ART. 17.—This railway, having for sole purpose the development of commerce, shall not, outside of the 100 li zone, be permitted to transport foreign troops and war materials employed by them. In case there should be war between China and a foreign power and the railway should at the time still be managed by the said Company, then the Company must continue to observe the provision aforementioned. In case certain sections are occupied by the enemy and the Company should lose its power of management, then the provincial authorities will not be responsible for the protection (of the railway).

ART. 18.—Freightage for foodstuffs and clothing to be distributed amongst the distressed during famines and floods, shall be reduced according to the rules adopted by the railways of Germany and when troops are despatched to suppress rebellions the same is to be applied to the fares for soldiers and to the freightage for their war materials.

ART. 19.—At railway stations, where custom-houses are established, the Railway Administration shall make such ar-

rangements as to assist the Imperial Chinese Customs in collecting the legal dues.

The expenses for the necessary buildings, to be erected upon application of the Customs Administration are to be refunded by the latter to the Railway Administration according to agreements always to be made beforehand.

ART. 20.—The natives of towns and villages near the railway shall be as far as possible engaged as workmen and as contractors for the supply of materials.

ART. 21.—Chinese subjects employed outside the leased territory by the Railway Company in case of contravention of Chinese law are subject to the jurisdiction of the competent District-Magistrate.

The competent District-Magistrate having officially notified the necessity of legal steps against such employees, the Railway Company shall not do anything by which he may evade justice.

Complaints against foreigners are to be dealt with according to the proper laws. In such cases, the Railway Company on its part shall make an investigation and take disciplinary proceedings against the offender.

ART. 22.—The natives of districts, where the railway passes through, shall as far as possible be employed at the work and shall be paid for as customary there.

If fights should occur between railway-men and natives the local official will have the right to arrest and punish the guilty.

The workmen of the railway are absolutely prohibited unwarrantably to enter houses of natives. In case of contravention they will be severely punished.

ART. 23.—The construction of the railway being completed, foremen and workmen necessary for maintenance and safekeeping of the line are as far as practicable to be engaged from amongst the inhabitants of villages and towns near the line in conformity with suggestions made by the elders of these places. These elders will be responsible for the good behaviour of these

engaged and will furnish them with certificates issued by the District-Magistrate.

ART. 24.—The railway being open to public traffic, its administration assumes the responsibility for any loss of life or goods caused by accidents and is liable to pay compensation to wounded or killed persons according to the local custom, and to cover any loss of goods according to detailed regulations to be drawn up and published by the Company.

Likewise the Railway will be held responsible for damage to persons and property by construction trains through its neglect.

ART. 25.—The safety on the line being endangered by floods, slips of embankments or breakages of bridges, etc., public traffic shall not be reopened before all these difficulties have been removed.

ART. 26.—Should the Railway Company apply for soldiers to protect the preparatory work, the construction or the traffic of the railway, the Governor of the Province of Shantung shall at once consider the circumstances and comply with such application. The amount to be contributed by the Company for the troops dispatched shall be the subject of a further understanding.

ART. 27.—In the German leased territory the rights of sovereignty are safeguarded by the Governor of Tsingtao. In the districts of the remaining part of the Province of Shantung through which the railway is running, the rights of sovereignty are safeguarded by the Governor of the Province of Shantung.

ART. 28.—It shall be the subject of further agreements when and under what conditions the Chinese Government may in future take over the railway.

The foregoing regulations after being approved shall be notified to the Authorities of the Shantung Province and to the officials of the railway. Thereupon they shall be duly observed.

Should it in future be deemed necessary to have alterations made of some of the above regulations or to have drawn up supplementary rules, this can only be done by mutual agree-

ment between the then Governor of the Province of Shantung and the Shantung Railway Company.

This agreement is executed in two exemplars each of which contains a Chinese as well as a German version of like tenour. Each of the contracting parties has received one exemplar.

Chinanfu, the 21st of March, 1900,

The Governor of the Province of Shantung.

Seal and signature of GOVERNOR YUAN SHIH KAI.

H. I. M's Special Delegate, Lieutenant General.

Signed: YIN CHANG.

Die Betriebsdirection der Schantung-Eisenbahn-Gesellschaft.

Signed: H. HILDEBRAND.

No. 3.

Convention Between China and Germany Respecting the Withdrawal of German Troops from Kiaochow and Kaomi, November 28th, 1905.

(TRANSLATION)

The Emperor of China has appointed Yang Shih-hsiang, Civil and Military Governor of Shantung, and the German Emperor, Van Semmern, Civil and Military Governor of Kiaochow, who after communicating full powers and finding them in due form have agreed upon the following articles:

Whereas the German Emperor has, for the purpose of promoting friendly relations, agreed to withdraw the troops stationed at Kiaochow and Kaomi, the following articles are hereby concluded.

ART. 1.—The German troops at Kiaochow shall withdraw immediately after this Convention has been signed.

ART. 2.—One fourth of the German troops stationed at Kaomi shall withdraw immediately after the signing of this Convention, and another fourth, within two months therefrom.

The remaining troops shall withdraw within the next two months during which period barracks and stables shall be so speedily built in Tsingtao that the said troops may withdraw altogether within this said time-limit. But in case the said works cannot be finished within the two months, a complete withdrawal shall nevertheless be effected—there shall be no further extension of time.

ART. 3.—From the date of the signing of this Convention, no matter whether the German troops at Kiaochow and Kaomi have completely withdrawn or not, the railways within the surrounding zone shall completely be under the supervision and protection of the Chinese local authorities and police officers. The police officers shall despatch so many policemen as they deem fit but not more than two hundred and forty, to be evenly stationed at various sections; all matters relating thereto shall be conducted according to the police regulations prevailing beyond the surrounding zone. At some place near the city of Kaomi there shall be established a police office with a police force of not more than one hundred men who shall, by turn, attend to their duty in the protection of the railway and in the suppression of disturbances which may arise. But if China should station troops in the said place, all matters relating thereto shall be governed by the Kiaochow Lease Convention.

ART. 4.—All the works which Germany has constructed in Kiaochow and Kaomi such as barracks, stables, drill grounds, roads, waterworks, and the like, together with the foundations thereof, houses and the fixtures attached thereto cost, calculated at their original prices, \$496,388.48. From this amount are to be subtracted \$5,000.00 as rent paid for the German Government by the Chinese Government, \$21,388.48 expended for annual repairs and considered as representing the annual diminution of the value of the properties, and \$70,000.00 as extra reduction; the net price will then be \$400,000.00 at which the said properties will be purchased by and reverted to China under a separate agreement. The price of the buildings shall be paid off in four installments within two years from the day when the barracks at Kiaochow and Kaomi are handed over. After

their purchase or reversion, all the buildings shall be reserved for educational and other public uses.

ART. 5.—In case Germany should, in accordance with the Treaties, require passage for her troops through Kiaochow and Kaomi, and stay there for a few days, a few weeks' notice will be necessary, in order that a vacant place may be assigned for their temporary stay, free of charge.

Of this Convention there shall be made four copies in Chinese and four in German, identical in sense; and after they have been signed, two copies each of the Chinese and German texts shall be filed at the office of the Governor of Shantung, and the other two copies each of the said two languages, at the office of the Civil and Military Governor of Kiaochow, for reference, transmission and observance.

The second Day, eleventh Moon of the Reign of Kwanghsu, corresponding to the 28th of November, 1905.

Signed: YANG SHIH-HSIANG.
VAN SEMMERN.

No. 4.

Agreement Between the Provincial Authorities of Shantung and the Chino-German Mining Company for Delimiting Mining Areas in the Province of Shantung, July 24, 1911.

For the purpose of defining the mining rights of the Chino-German Company along the railways in Shangtung Province and concluding a working arrangement the Provincial Authorities of Shangtung and the Mining Company have mutually agreed upon the following Articles:

ART. 1.—1. The Shantung Mining Company reserves for its exclusive exploitation the Fangtze and Tzechwan mining areas and the mining district from Chinlingchen along the Kiaochow-Chinan Railway in a northerly direction for a distance of 30 li to Changtien.

2. The Company is to prepare maps showing the bound-

aries of the mining areas it designates for exclusive development. These maps are to form an important part of this Agreement. All mining properties within the specified areas are to be exclusively exploited by the Company and no Chinese undertakings are permitted therein.

3. With the exception of the delimited areas set aside herein for exclusive development by the Mining Company all mining rights hitherto granted by China to the Company within 30 li (15 kilometres) on both sides of Kiaochow-Chinan Railroad now in operation, the Tientsin-Pukow Railroad now under construction, and the Kiaochow Ichow railroad recently surveyed are hereby cancelled.

4. Tzechwan Hsien and Poshan Hsien being within the 30-li zone of mining rights, the Company originally intended to exploit it by itself. Now as an act of special friendship, the Company hereby relinquishes its claim to Poshan mines. The Tzechwan mining area beginning on the south at Ta Kwei Shan passing Lungkow Chen in a northwesterly direction and reaching the eastern boundary of Tzechwan, is hereby likewise relinquished to the Chinese for their free exploitation. The remaining areas in this region shall, in accordance with Article 1, belong to the mining areas of the Company.

5. The 30-li zone of the Fangtze mining area in Weihsien touches the boundaries of Changlo and Ankiu Hsiens and includes parts thereof. The Company surrenders voluntarily, as a further evidence of goodwill, its claim to the northwestern district of Ankiu Hsien. It retains, however, its title to Chinshanwa mining area in Changlo Hsien to the extent of 10-li from Fangtze mine in a straight line.

6. For the purpose of delimiting mining areas the Provincial Authorities of Shantung and the Mining Company have jointly drawn up following maps:

1. Tzechwan mining area and the mining area from Chinlingchen to Changtien.
2. The southern section of the Tzechwan mining area.
3. Mining areas in Weihsien and Changlo Hsien.
4. General map showing all mining areas delimited by this Agreement.

ART. 2.—1. Within the mining areas relinquished by the Mining Company in the three Hsiens of Changkiu, Tzechwan and Poshan along the Kiaochow-Chinan Railway Chinese are not permitted to undertake the development of the biggest mine therein before the year 1920, but they shall be at liberty to do so after that year.

2. In the mining areas reserved by the Company all Chinese mining shafts that are now in a working condition shall be stopped within one month from the date of a formal exchange of the texts of this Agreement duly approved by the Chinese and German Governments.

3. The Chinese Government is still to accord protection to the works of the Company in accordance with the provisions of the Mining Agreement concluded in the 26th year of Kwang Hsu, corresponding to the year 1900 A. D.

4. Should the Chinese Government and merchants be short of capital for the exploitation of the mines in the districts relinquished to China by this Agreement, they shall approach German capitalists for loans. If foreign materials and machinery are needed they shall purchase them from Germany. If foreign engineers are to be employed they shall engage German engineers.

ART. 3.—To meet the expenditures hitherto incurred by the Company for prospecting mines, fixing boundaries and purchasing lands, the Chinese Government agrees to pay to the Company \$210,000 Mex., the said sum being payable within one year from the date of this Agreement in two installments. After the signing of this Agreement the Company shall immediately turn over to the Chinese Government all maps and papers relating to the prospecting of these mines and all lands purchased by the Company.

ART. 4.—Chinlingchen iron mine is to be exploited according to the Mining Regulations of the 26th year of Kwanghsu (1900). If China desires to establish iron smelting works near the mine a joint stock company may be formed, with a capital of something like 500,000 taels. Regulations therefor are to be drawn up separately at the proper time.

This Agreement is executed in quadruplicate copies in the Chinese and German languages, found identical in sense, together with four sets of maps of the mines, to be held by the contracting parties.

Third year of Hsuan Tung, 6th month, 29th day, corresponding to the 24th day of July 1911.

*Delimitation Commissioners of the Imperial
Chinese Government, namely.*

Signed: SU, Commissioner for the Promotion of Industrial
Affairs at Muken.

YU, Expectant Taotai of Shantung,
Managing Director of the Chino-German Mining
Company.

German Consul General at Chinanfu, Shantung.

No. 5.

The Ministry of Foreign Affairs to the Diplomatic Representatives at Peking Respecting Declaration of War Zone.

Peking, September 3rd, 1914.

YOUR EXCELLENCY,

As all the belligerents engaged in the present European war maintain friendly relations with our country, our Government has decided to declare neutrality and maintain the same with all efforts. Reports from the local authorities in the Province of Shantung have repeatedly stated that German troops have been engaged in military preparations in and near Kiaochow Bay, and that the Japanese and British Allied troops have begun also military operations in Lungkow and in places near Kiaochow Bay and Laichow. It is very unfortunate that Germany, Japan and Great Britain, friends of our country, have committed such altogether unexpected acts within our territory, creating an extraordinary situation analogous to the Russo-Japanese acts of hostility in Liao-tung Peninsula in the year of 1904. The only way open to us is to follow that precedent, to declare that so far as concerning Lungkow, Laichow and places adjacent to Kiaochow Bay within the narrowest possible limits absolutely necessary for military operations of the belligerent

troops, our Government will not be wholly responsible as a neutral state; while in all other places within our territory, the Law of Neutrality which has already been promulgated shall remain in full force. However, within the districts as designated above, the administration as well as territorial jurisdiction, the safety of the inhabitants and the functionaries, public and private properties shall be fully respected by the belligerent states.

While the above is communicated to all other belligerent States, I request Your Excellency to have the goodness of transmitting the same to your Government.

Signed: SUN PAO-CHI.

No. 6.

Note From the Ministry of Foreign Affairs to the Japanese Minister at Peking Protesting Against Violation of Neutrality.

September 27, 1914.

YOUR EXCELLENCY,

A telegram received from the local authorities in the Province of Shantung states that over four hundred Japanese soldiers have arrived at Weihsien and taken possession of the railway station.

When the Japanese and British Allied Troops needed a military passage in order to attack Kiaochow, our country was obliged to prescribe a war zone, and also declared that Japan and Great Britain should at the same time observe strictly China's neutrality outside the zone. On the 7th of September, a despatch received from your Government stated that your Government understood, with some difficulty, what our Government meant in that declaration. This Ministry further declared that the railroad from Weihsien to Chinan should be under Chinese protection, and through Your Excellency we requested your Government to issue an order prohibiting your troops from

advancing to Weihsien, or to any place west of Weihsien. But now the troops of your country have forced their way into Weihsien and taken possession of the railway. Considering that the railroad belongs to a Sino-German Corporation, that all the railway stations have also been under Chinese protection, and in none of them has there ever been any German troop, and that Weihsien is in the purely neutral territory; the acts committed by the troops of your country are manifestly contrary to the declaration and in violation of China's neutrality.

Therefore, we request Your Excellency to transmit this note to your Government, and ask your Government to order by telegraph the withdrawal of the troops, and the restoration of the railway stations. Such acts should never be allowed to be repeated again, in order that international faith, as well as the law of neutrality be observed.

We wish that you will favour us with a reply.

Signed: SUN PAO-CHI.

No. 7.

First Note From the Ministry of Foreign Affairs to the Japanese Minister at Peking Protesting Against the Occupation of the Kiaochow-Chinan Railway, September 30, 1914.

September 30, 1914.

YOUR EXCELLENCY,

Regarding the occupation of Weihsien by Japanese troops and the violation of China's neutrality, a despatch was sent to your Government, together with a memorandum on the 27th instant. On the 28th, the next day, Your Excellency came to the Ministry and stated that the troops of your country would soon take possession of the Kiaochow-Chinan Railway, whereupon we immediately and emphatically replied that we could not accept the reasons you advanced therefor. As it is a matter of grave importance, I hereby specially make a formal protest.

The Kiaochow-Chinan Railway has been constructed and operated jointly by Chinese and German capitalists, and this is clearly provided in Section II of the Kiaochow Convention and in Article I of the Kiaochow-Chinan Railway regulations. It thus becomes clear that the railway is not only the private property of the German merchants, but also partly owned by the Chinese capitalists. To regard this line as the public property of the German Government is, therefore, a fundamental mistake. It is a settled principle that even the public property of a belligerent, while on a neutral territory, can not be attacked, or taken possession of by the other belligerent, much more so in the present case when the property in question is jointly owned by Chinese and German capitalists. How can your Government have the least pretext for taking possession of it? It has been a long while since the troops of your country have begun to attack Tsingtao, and the German troops in Tsingtao have been isolated, rendered helpless, and entirely and long ago cut off from communication through the Kiaochow Railway. Not only our Government will never allow the Germans to make use of the line, it is actually beyond their power to make use of it. Therefore, the contemplated action of your country is decidedly not a case of military necessity.

When the Japanese and British troops directed a joint attack upon Kiaochow Bay, our Government was obliged to prescribe a special zone. But outside of the zone we are determined to maintain strict neutrality, which should be respected by all the belligerents. This has been declared by our Government, and accepted by your Government. As to the protection by our Government of the railway from Weihsien to Chinanfu, the Ministry also made a special declaration, which was accepted by Your Excellency. Now, greatly to our surprise, the troops of your country have, without any justification, occupied the station in Weihsien, and intimated their intention to advance westward, and Your Excellency has even informed the Ministry that they will occupy the whole railway. Our Government is obliged to regard both the contemplated and accomplished acts as contrary to our previous understanding, as a violation of China's neutrality, and as a breach of international law.

Therefore, we make this formal and solemn protest and request, through Your Excellency, your Government for the sake of maintaining international relations to order the troops outside the prescribed area to be withdrawn as soon as possible.

We wish that Your Excellency will favor us with an immediate reply.

Signed: SUN PAO-CHI.

No. 8.

The Japanese Minister at Peking to the Ministry of Foreign Affairs Respecting the Protest Against the Occupation of the Kiaochow-Chinan Railway, October 2nd, 1914.

October 2, 1914.

YOUR EXCELLENCY,

I have the honour to say that I have duly received your despatches of September 27th and September 29th in which your honourable Ministry made protests regarding the occupation of the Weihsien railway station by the troops of our country. These communications along with the request for your approval, which I made, under instructions from my Government, to your honourable Minister in person on September 28th, for the transfer of that part of the railway between Weihsien and Chinan to the control and management of my country, were telegraphically sent to my Government. Instructions have now been received from my Government this day, and I have the honour to reproduce the same for your perusal, as follows:

In pursuance of the policy of the Imperial Government to definitely uphold the peace of the entire Far East, and for the purpose of weakening the fundamental influence of Germany in the said region, the Japanese-German War was declared. The War now declared has for its aim not only the attack on the men-of-war and forts of the enemy in the leased territory of the Kiaochow Bay, but also the elimination of the base of German activities in the Far East, which aim has been repeat-

edly communicated to the Government of China, and, we hope, has been clearly understood.

Regarding the Shantung Railway, it was the outcome of the Treaty of lease of the Kiaochow Bay between Germany and China in the year 1898. It was in consequence of this Treaty that Germany secured the right of building this railway, the Company of which is entirely under the control of the German Government, and its nature is public and in no way different from a purely German Company. It is of the same character as the lease territory. This fact is beyond dispute, in view of its origin, the special charter given by the German Government and the way in which the Company draws its funds.

Moreover a railway from its very nature positively cannot be treated one part separately from the other. Although one part of this German owned railway is situated west of Weihsien, it cannot be held as having changed its character on the ground that a part remains in neutral territory. Besides, the aim of the Imperial Government is not only to overthrow the base possessed by the enemy, but also to cause the control and administration of this indivisible railway to fall into our possession. In view of the War this does not seem to be beyond propriety. It is, therefore, not necessary to secure the approval of the Chinese Government as to the execution of this principle. But in order to avoid misunderstanding, we have made friendly request for approval regardless of the urgency of the situation. It is surprisingly beyond the comprehension of the Imperial Government for the Chinese Government to be suspicious of Japan's every movement. We regret for such a condition.

Regarding the points misunderstood by the Chinese Government, as shown in the two documents, we point out as follows:

1° Whether the Shantung Railway is a German railway or a joint-interest railway can be determined substantially by the special permit given by Germany. As to the governmental nature of the said railway, there can be no doubt, in view of what has been said above.

2° If the Shantung Railway cannot be held as being the property of a neutral, how can it be said of our violating neutrality if it is transferred to our control? Now, China, in

consequence of the delimitation of the war zone, suggests to change simultaneously the nature of the Shantung Railway. The Imperial Government cannot see the reason why China should do so. Furthermore, the question of delimiting the war zone and the question of the nature of the Shantung Railway, as well as its control and administration, are clearly separate questions which cannot be amalgamated into one.

3° Although the Chinese Government holds that under the present condition the Shantung Railway cannot be utilized by the German troops in view of its severance with Chinan, yet from the attacking troops' point of view, the Railway being immediately behind Tsingtao, and in view of the present situation, it is a serious danger to the military operations to leave a railway owned by the enemy perfectly free. We are, therefore, compelled to secure the railway by all means. Moreover, the Chinese Government has often failed to stop the assistance of the enemy on this railway, of which there are many examples.

4° In the documents the Chinese Government emphatically declared its readiness to protect the railway between Weihsien and Chinan, which declaration is said to have been agreed to by our Government. The Imperial Government likes to be informed as to what this refers to.

Signed: HIOKI EKI.

No. 9.

Second Note From the Ministry of Foreign Affairs to the Japanese Minister at Peking Protesting Against the Occupation of the Kiaochow-Chinan Railway, October 9th, 1914.

Peking, October 9th, 1914.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your despatch dated the 2nd instant, of which I have taken notice. But our Government cannot concur in the explanation made by your Government of the occupation of the Kiaochow-Chinan Railway.

That the Kiaochow-Chinan Railway is private property is beyond any doubt. In Article 2 of Sec. II of the Kiaochow Convention, there is the express provision that "in order to carry out the above-mentioned railway construction a Sino-German Company shall be formed"; and in Article 1 of the Regulations made in 1899 respecting the joint construction and maintenance of the Kiaochow-Chinan Railway, it is stated that the construction and maintenance of the Railway shall be undertaken by a Sino-German Company. All these stipulations show very clearly that the railway is a joint stock enterprise of Chinese and German merchants. In our despatch to Your Excellency on September 29th, we mentioned the above two points, to which we call Your Excellency's attention; but in your reply we fail to see why no reply was made to these two points. If you wish to ascertain the real and definite nature of that railway—whether it is public or private property—those two points are essential to the solution of the question; and yet they have apparently been disregarded. We really fail to discover any reason for such a disregard.

2. The protection by our Government of the railway from Weih sien to Chinan is at the same time a matter of our right and duty. The concurrence of your Government on this matter is, strictly speaking, quite unnecessary. It was simply out of extra caution that more than once we made oral declarations to that effect before Your Excellency, and instructed by telegraph our Minister at Tokyo, M. Lou Tsung-yu, to make the same declaration to your Government. Since your Government did not express any objection thereto, we have certainly the right to conclude that your Government has tacitly and justly recognized our rights and duty.

3. During the present unfortunate war, our Government has acted in accordance with international law and maintained strict neutrality, particularly we have paid special attention to Shantung affairs. Your Government in the above-mentioned reply alleged that our Government was unable to prevent acts contributing to strengthen the position of your enemy from being done on the railway. From such an allegation, we strongly dissent; and, as there is no evidence produced, we do not know to what your Government referred.

4. Tsingtao has been isolated and rendered helpless; the Kiaochow-Chinan Railway has been guarded by our troops and police in the section of 400 li west of Weihsien, and by the troops of your country in the other section of 300 li east of Weihsien; and, in fact, Tsingtao is so surrounded by the besieging troops that no possible assistance can be expected from outside. And yet your Government said that the situation would be extremely dangerous, unless that portion of 400 li west of Weihsien was occupied by the troops of your country. In fact, we fail to see where lies the danger.

5. Your country has announced that its declaration of war against Germany was for the purpose of preserving peace in the Far East. Therefore, only the disarmament of German war-vessels and the restoration of Kiaochow have been proclaimed. We have never heard of the so-called elimination of the base of German activities in the East. But the action sought to be justified in such vague terms has resulted in the violating of China's neutrality, and in the occupation of property within the territory of a friendly nation property partly owned by neutral merchants. This is entirely inconsistent with the previous declaration of your Government.

Finding the situation extremely regrettable, we are obliged hereby again to make a strong protest in the hope that your Government will, in compliance with our request made in the note of September 29th, withdraw all the troops outside the prescribed area, in conformity with the declared principle and observance of the law of neutrality.

Signed: SUN PAO-CHI.

No. 10.

First Note From the Ministry of Foreign Affairs to the British and Japanese Ministers at Peking, Notifying the Cancellation of the War Zone, January 7th, 1915.

Peking, January 7th, 1915.

YOUR EXCELLENCY,

On September 3rd, 1914, it was communicated to Your Excellency, that, as Great Britain, Japan and Germany were

making military preparations in and near Kiaochow, Lungkow and Laichow, and as all the belligerents are friends to China, our Government was obliged to follow the precedent established during the Russo-Japanese War, of delimiting a minimum area absolutely necessary for military actions of the troops of both parties to the war, and that so far as the delimited area was concerned, we would not hold ourselves wholly responsible as a neutral State.

Now, as the hostilities have ceased, and all military preparations have been entirely withdrawn, it is clear that there will be no more occasion to use Lungkow or the places near Kiaochow for military actions. It is, therefore, hereby declared that all the previous communications relating to the delimitation of the war zone shall be cancelled, and that the original status of the said area be restored.

Wherefore I request, through you, Your Excellency, that your Government, in order to respect the neutrality of China, withdraw all the troops, if there is still any, from the said area.

Signed: SUN PAO-CHI.

No. 11.

Note From the Japanese Minister at Peking to the Ministry of Foreign Affairs Refusing to Recognize the Cancellation of the War Zone, January 9th, 1915.

Peking, January 9th, 1915.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your note of January 7th stating: that as Great Britain, Japan and Germany were making military preparations in Kiaochow, Lungkow and Laichow the Chinese Government acting upon the precedent set during the Russo-Japanese War has delimited a minimum area necessary for the movement of troops and for the use of the troops of the belligerent States and that now as the hostilities have ceased and the military measures will naturally be all withdrawn it is clear that there will be no more necessity of using the said area, and therefore all the previous communications relating to delimiting the exceptional area be cancelled, its

original status be restored, and the Japanese troops be all withdrawn.

The contents of the above note were immediately reported to our Government, from which a telegraphic instruction has now been received which states:

When your Government brought up the matter in question for diplomatic discussion, the Imperial Government declared that a reply would be given sooner or later, and also courteously gave the reason why the reply was delayed; but your Government has ignored all the diplomatic negotiations in the past and now of a sudden performs an act, improper, arbitrary, betraying, in fact, want of confidence in international good faith and regardless of friendly relations. We cannot acquiesce therein under any circumstance.

The Imperial Government deems it necessary to declare that even if your Government actually cancels the communications concerning the creation of a war zone, the Imperial Government would not permit the movement and actions of their troops within a necessary period to be affected or restricted by such act of cancellation.

The above are my instructions which I have the honour to communicate to Your Excellency's Government.

Signed: HIOKI EKI.

No. 12.

Second Note From the Ministry of Foreign Affairs to the Japanese Minister at Peking Respecting the Cancellation of the War Zone, January 16th, 1915.

YOUR EXCELLENCY,

In reply to your note of the 9th of January, I regret to say that there exists much misunderstanding.

When Japan, Great Britain and Germany, friends of China, were making military preparations within Chinese territory, our Government, in view of the extraordinary situation, declared Lungkow, Laichow and places near Kiaochow, within the narrowest possible limits, and absolutely necessary for the opera-

tions of the troops of the belligerent States, to be temporarily a special area within which we shall not be responsible as a neutral State. This step was taken with a view to maintaining international friendship on the one hand, and meeting the necessity of the international situation on the other. We made that special declaration because we considered it necessary, and not because we had any agreement to that effect with the belligerent States. As our declaration was an independent act, so now we cancel it in an equally independent way—there being no necessity at all to secure the concurrence of any party. It is really difficult to see how you can consider our declaration to cancel the special area arbitrary or inappropriate. Two months have elapsed since the capture of Tsingtao; the basis of German military preparations has been destroyed, the troops of Great Britain have already been, and those of your country, gradually withdrawn. This shows clearly that there is no more military action in the special area, and that the said area ought to be cancelled admits of no doubt. It is just because of our due regard for international confidence and friendship that our Government postponed a formal declaration to cancel what ought to have been cancelled already long ago. Furthermore, within the last two months, we have repeatedly reminded your Government of the desirability of an early withdrawal of your troops so as to effect a restoration of order. Notwithstanding all this, the matter still remains unsettled to-day. The molestation in these localities and the sufferings of the inhabitants, coupled with the fact that the port of Tsingtao has already been opened without any more hindrance, have led our Government to think that time is opportune for cancellation, and to wait any longer would be simply unreasonable; and after careful deliberation, we finally decided to make a declaration to cancel the said prescribed area. So far as international confidence and friendship is concerned, we have nothing to regret on our part. Moreover at the outbreak of the hostilities, your Government declared the preservation of peace in the Far East to be their object. Now, our declaration to cancel the prescribed zone has also been made out of our sincere belief in and respect for the principle which your Government has been cherishing. That such a declaration should be deemed as tending to impair inter-

national confidence and friendship, is really beyond our comprehension.

In short, we prescribed a special area simply because there existed a special situation created by the acts of the belligerent States. Now, as there is no longer any such special situation, the *raison d'être* for the prescribed area ceases to exist. As efforts have always been made to effect an amicable settlement of affairs between your country and ours, it is our earnest hope that your Government will act upon the principle of preserving peace in the Far East, and of maintaining international confidence and friendship which is really an appropriate and well-meant act—so that there shall be no further misunderstanding and that a state of complete neutrality in the said area should be restored.

We shall be much obliged if you will be so good as to transmit this reply to your Government.

Signed: SUN PAO-CHI.

No. 13.

Japan's Twenty-one Demands, January 18th, 1915.

Translation of Documents Handed to the President Yuan-Shih-Kai, by Mr. Hioki, the Japanese Minister, on January 18th, 1915.

I.

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations agree to the following articles:

ART. 1.—The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ART. 2.—The Chinese Government engages that within the Province of Shantung and along its coast, no territory or island will be ceded or leased to a third Power under any pretext.

ART. 3.—The Chinese Government consents to Japan's building a railway from Chefoo or Lungkow to join the Kiaochow-Chinanfu Railway.

ART. 4.—The Chinese Government engages, in interest of trade and for the residence of foreigners, to open by herself, as soon as possible, certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

ART. 1.—The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung Mukden Railway shall be extended to the period of 99 years.

ART. 2.—Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

ART. 3.—Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

ART. 4.—The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Mongolia, as regards what mines are to be opened, they shall be decided upon jointly.

ART. 5.—The Chinese Government agrees that in respect of the (two) cases mentioned hereinbelow the Japanese Gov-

ernment's consent shall be first obtained before action is taken:

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(b) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

ART. 6.—The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Mongolia, the Japanese Government shall first be consulted.

ART. 7.—The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this agreement.

III.

The Japanese Government and the Chinese Government seeing that Japanese financiers and the Hanyehping Co. have close relations with each other at present and the common interests of the two shall be advanced, agree to the following articles:

ART. 1.—The two contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her act dispose of the rights and property of whatever nature of the said Company nor cause the said Company to dispose freely of the same.

ART. 2.—The Chinese Government agrees that all mines in the neighbourhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or

indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

IV.

The Japanese Government and the Chinese Government with the object of effectively preserving the territorial integrity of China agree to the following special article:

The Chinese Government engages not to cede or lease to a third Power any harbour or bay or island along the coast of China.

V.

ART. 1.—The Chinese Central Government shall employ influential Japanese as advisers in political, financial, and military affairs.

ART. 2.—Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

ART. 3.—Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police department of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

ART. 4.—China shall purchase from Japan a fixed amount of munitions of war (say 50% or more of what is needed by the Chinese Government) or that there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

ART. 5.—China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hanchow, and another between Nanchang and Chochow.

ART. 6.—If China needs foreign capital to work mines, build railways and construct harbour-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

ART. 7.—China agrees that Japanese subjects shall have the right of missionary propaganda in China.

No. 14.

Japan's Ultimatum to China.

*Ultimatum Delivered by Japanese Minister to Minister of Foreign Affairs at 3 o'clock, P. M., on May 7th, 1915.
at 3 o'clock, P. M., on May 7th, 1915.*

The reason why the Imperial Government opened the present negotiations with the Chinese Government is, first, to endeavor to dispose of the complications arising out of the war between Japan and Germany, and secondly, to attempt to solve various questions which are detrimental to the intimate relations of China and Japan, with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day, as many as twenty-five conferences were held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiations, the Imperial Government has consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand, the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is, on the 17th of the last month. The Imperial Government, taking a broad view of the negotiations and in consideration of

the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government, on the 26th of the same month, the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals, the Imperial Government would, at a suitable opportunity, restore with fair and proper conditions to the Chinese Government, the Kiaochow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the first of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals, but even with regard to the offer of the Japanese Government, to restore Kiaochow to the Chinese Government, the latter did not manifest the least appreciation of Japan's good will and difficulties.

From the commercial and military points of view, Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition, the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, she went to the extent of proposing its restoration, yet to her great regret, the Chinese Government did not take into consideration the good intention of Japan, and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government offering the restoration of Kiaochow Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiaochow; and still further in connection with the territory of Kiaochow, China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional indemnification for the unavoidable losses and damages can never be tolerated by Japan, yet she purposely

advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands, the settlement of the other question, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, political, commercial, industrial, and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in which Japan was engaged, the Chinese Government overlooks these facts, and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government, in a compromising spirit, have formulated in accordance with the statement of the Chinese Representatives, thereby making the statements of the Representatives an empty talk; or, on seeing them conceding with the one hand, and withholding with the other, it is very difficult to attribute faithfulness and sincerity to the Chinese authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammunition, and the establishment of arsenal, and railway concessions in South China, in the revised proposals, they are either proposed with the proviso that the consent of the Power concerned must first be obtained, or they are merely to be recorded in the minutes in accordance with the statement of the Chinese delegates, and thus they are not in the least in conflict either with the Chinese sovereignty, or her treaties with the Foreign Powers. Yet the Chinese Government, in their reply to the proposals, alleging that these proposals are incompatible with their sovereign rights, and the Treaties with the Foreign Powers, defeat the expectations of the Imperial Government. In spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiation, yet warmly attached to the preservation of the peace of the Far East, is still hoping for

a satisfactory settlement in order to avoid the disturbance of the relations.

So in spite of the circumstances which admitted of no patience, they have reconsidered the feelings of the Government of their neighboring country, and with the exception of the article relating to Fukien, which is to be the subject of an exchange of notes, as has already been agreed upon by the representatives of both nations, will undertake to detach the Group V from the present negotiations and discuss it separately in the future. Therefore, the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting, without any alteration, all the articles of Group I, II, III, and IV, and the exchange of notes in connection with Fukien Province in Group V, as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by 6 o'clock P. M., on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the designated time, the Imperial Government will take steps they may deem necessary.

No. 15.

Japan's Explanatory Note, May 7th, 1915.

Explanatory Note Accompanying Memorandum Delivered to the Minister of Foreign Affairs by the Japanese Minister on the Seventh Day of May, 1915.

1. With the exception of the question of Fukien to be arranged by an exchange of notes, the five articles postponed for later negotiations refer to (a) the employment of advisers, (b) the establishment of schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunition and the establishment of arsenals, (e) the propagation of Buddhism.

2. The acceptance by the Chinese Government of the article relating to Fukien may be either in the form as proposed

by the Minister of Japan on the 26th of April or in that contained in the Reply of the Chinese Government of May 1st. Although the Ultimatum calls for the immediate acceptance by China of the modified proposals presented on April 26th, without alteration, but it should be noted that it merely states the principle and does not apply to this article and Articles 4 and 5 of this note.

3. If the Chinese Government accept all the articles as demanded in the Ultimatum the offer of the Japanese Government to restore Kiaochow to China made on the 26th of April will still hold good.

4. Article 2 of Group II relating to the lease or purchase of land, the terms "lease and purchase" may be replaced by these terms "temporary lease" and "perpetual lease" or "lease on consultations" which means a long-term lease with its unconditional renewal.

Article 4 of Group II relating to the approval of laws and ordinances and local taxes by the Japanese Consul may form the subject of a secret agreement.

5. The phrase "to consult with the Japanese Government" in connection with questions of pledging the local taxes for raising loans and the loans for construction of railways, in Eastern Inner Mongolia, which is similar to the agreement in Manchuria relating to the matters of the same kind, may be replaced by the phrase "to consult with the Japanese capitalists."

The article relating to the opening of trade marts in Eastern Inner Mongolia in respect to location and regulations, may, following the precedent set in Shantung, be the subject of an exchange of notes.

6. From the phrase "those interested in the Company" in Group III of the revised list of demands, the words "those interested in" may be deleted.

7. The Japanese version of the Formal Agreement and its annexes shall be official text or both the Chinese and Japanese shall be official texts.

No. 16.

China's Reply to the Ultimatum.

The Reply of the Chinese Government to the Ultimatum of the Japanese Government, Delivered to the Japanese Minister of Foreign Affairs on the 8th of May, 1915.

On the 7th of this month, at three o'clock P. M., the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven Articles. The Ultimatum concluded with the hope that the Chinese Government up to 6 o'clock P. M. on the 9th of May, will give a satisfactory reply, and it is hereby declared that if no satisfactory reply is received before or at the designated time, the Japanese Government will take steps she may deem necessary.

The Chinese Government with a view to preserving the peace of the Far East, hereby accepts, with the exception of those five articles of Group V, postponed for later negotiation, all the articles of Groups I, II, III and IV and the exchange of notes in connection with Fukien Province in Group V, as contained in the revised proposals presented on the 26th of April and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government with the hope that thereby all outstanding questions are settled, so that the cordial relationship between the two countries may be further consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the literary improvement of the text and sign the Agreement as soon as possible.

No. 17.

Treaties Respecting Shantung, South Manchuria and Eastern Inner Mongolia and Exchanges of Notes Between China and Japan, May 25th, 1915.

(TRANSLATED FROM THE CHINESE.)

Treaty Respecting the Province of Shantung.

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude

a Treaty with a view to the maintenance of general peace in the Extreme East and the further strengthening of the relations of friendship, and good neighbourhood now existing between the two nations, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-tsiang, Chung-ching, First Class Chia Ho Decoration, Minister of Foreign Affairs.

And His Majesty the Emperor of Japan, Hioki Eki, Jushii, Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary, and Envoy Extraordinary:

Who, after having communicated to each other their full powers and found them to be in good and due form, have agreed upon and concluded the following articles:

ART. 1.—The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ART. 2.—The Chinese Government agrees that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Chinanfu Railway, if Germany abandons the privilege of financing the Chefoo-Weihsien line China will approach Japanese capitalists to negotiate for a loan.

ART. 3.—The Chinese Government agrees in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in the Province of Shantung as Commercial Ports.

ART. 4.—The present treaty shall come into force on day of its signature.

The present treaty shall be ratified by His Excellency the President of the Republic of China, and His Majesty the Emperor of Japan, and the ratification thereof shall be exchanged at Tokyo as soon as possible.

In witness whereof, the respective Plenipotentiaries of the High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language, and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

Exchange of Notes Respecting Shantung.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of the Chinese Government I have the honour to make the following declaration to your Government: "Within the Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of the Chinese Government: "Within the Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

In reply I beg to state that I have taken note of this declaration.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

**Exchange of Notes Respecting the Opening of Ports
in Shantung.**

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the Province of Shantung signed this day, will be selected and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated "that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the Province of Shantung signed this day, will be selected and the regulations therefor will be drawn up by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Restoration of the Leased Territory of Kiaochow Bay.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

In the name of my Government I have the honour to make the following declaration to the Chinese Government:

When, after the termination of the present war, the leased territory of Kiaochow Bay is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

1. The whole of Kiaochow Bay to be opened as a Commercial Port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the foreign Powers desire it, an international concession may be established.

4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of your Government:

"When, after the termination of the present war, the leased territory of Kiaochow Bay is completely left to the free disposal

of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

1. The whole of Kiaochow Bay to be opened as a Commercial Port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the foreign Powers desire it, an international concession may be established.

4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration."

In reply, I beg to state that I have taken note of this declaration.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

Treaty Respecting South Manchuria and Eastern Inner Mongolia.

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude a Treaty with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-tsiang, Chung-ching, First Class Chia-ho Decoration, and Minister of Foreign Affairs; and His Majesty the Emperor of Japan, Hioki Eki, Jushii, Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary and Envoy Extraordinary.

Who, after having communicated to each other their full powers, and found them to be in good and due form, have agreed upon and concluded the following Articles:

ART. 1.—The two High Contracting Parties agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchurian Railway and the Antung-Mukden Railway, shall be extended to 99 years.

ART. 2.—Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

ART. 3.—Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

ART. 4.—In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government may give its permission.

ART. 5.—The Japanese subjects referred to in the preceding three articles, besides being required to register with the local Authorities passports which they must procure under the existing regulations, shall also submit to the police law and ordinances and taxation of China.

Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

When, in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts.

ART. 6.—The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial Ports.

ART. 7.—The Chinese Government agrees speedily to make

a fundamental revision of the Kirin-Changchun Railway Loan-Agreement, taking as a standard the provisions in railway agreements made heretofore between China and foreign financiers.

When in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

ART. 8.—All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Treaty, remain in force.

ART. 9.—The present Treaty shall come into force on the date of its signature. The present Treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratifications thereof shall be exchanged at Tokio as soon as possible.

In witness whereof, the respective Plenipotentiaries of the two High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language, and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

Exchange of Notes Respecting the Terms of Lease of Port

**Arthur and Dalny and the Terms of South
Manchurian and Antung-Mukden Railways.**

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honor to state that, respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 21 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after

36 years from the day on which the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that "respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 21 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened, is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007."

In reply I beg to state that I have taken note of the same.

I avail, etc.

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

Exchange of Notes Respecting the Opening of Ports in Eastern Inner Mongolia.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that the places which ought to

be opened as Commercial Ports by China, herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs.

South Manchuria.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereinunder, except those being prospected for or worked, and the Chinese Government will

then permit them to prospect or work the same; but before the Mining regulations are definitely settled, the practice at present in force shall be followed.

PROVINCES: FENGTIEN:

LOCALITY	DISTRICT	MINERAL
—	—	—
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	"	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liaoyang to Pen-hsi	Iron

KIRIN (Southern Portion)

LOCALITY	DISTRICT	MINERAL
—	—	—
Sha Sung Kang	Ho-lung	C. & I.
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold
	I avail, etc.,	

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI,
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date respecting the opening of mines in South Manchuria, stating: "Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereinunder, excepting those being prospected for or worked and the Chinese Government will then permit them to prospect or work the same, but before the Mining regulations are definitely settled, the practice at present in force shall be followed.

PROVINCES FENGTIEN

LOCALITY	DISTRICT	MINERAL
Niu Shin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	"	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liaoyang to Pen-hsi	Iron

KIRIN (Southern portion)

Sha Sung Kang	Ho-lung	C & I
Kang Yao	Chilin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG,
Minister of Foreign Affairs
of the Republic of China.

**Exchange of Notes Respecting Railways and Taxes in South
Manchuria and Eastern Inner Mongolia.**

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of my Government, I have the honour to make the following declaration to your Government:

China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of the taxes in the above-mentioned places (excluding the salt and customs revenue which has already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month
of the 4th year of Taisho*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date respecting railways and taxes in South Manchuria and Eastern Inner Mongolia in which you stated:

"China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of taxes in the above-mentioned places (excluding the salt and customs revenue which has already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs.

Exchange of Notes Respecting the Employment of Advisers in South Manchuria.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

In the name of the Chinese Government, I have the honour to make the following declaration to your Government:

"Hereafter, if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first."

I avail, etc.,

Signed: LOU TSENG-TSIANG

His Excellency, HIOKI EKI
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month
of the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of your Government:

"Hereafter if foreign advisers or instructors in political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs

Exchange of Notes Respecting the Explanation of "Lease by Negotiation" in South Manchuria.

*Peking, the 25th day of the 5th month
of the 4th year of Taisho.*

EXCELLENCY,

I have the honour to state that the term "lease by negotiation" contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal.

I avail, etc.,

Signed: HIOKI EKI

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs

REPLY.

*Peking, the 25th day of the 5th month
of the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"The term 'lease by negotiation' contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

Signed: LOU TSENG-TSIANG

His Excellency, HIOKI EKI
Japanese Minister.

**Exchange of Notes Respecting the Arrangement for Police
Laws and Ordinances and Taxation in South
Manchuria and Eastern Inner Mongolia.**

*Peking, the 25th day of the 5th month of the
4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that the Chinese Authorities will notify the Japanese Consul of the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day so as to come to an understanding with him before their enforcement.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th
month of the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"The Chinese Authorities will notify the Japanese Consul of the Police laws and ordinances and the taxation to which

Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day so as to come to an understanding with him before their enforcement."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs.

Note.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that, inasmuch as preparations have to be made regarding Articles 2, 3, 4 and 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Government proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty.

I hope your Government will agree to this proposal.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI
Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th month
of the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that "inasmuch as preparations have to be made regarding Articles 2, 3, 4 and 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Govern-

ment proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG

Minister of Foreign Affairs.

Exchange of Notes Respecting the Matter of Hanyehping.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to state that if in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI

Japanese Minister.

REPLY.

*Peking, the 25th day of the 5th
month of the 4th year of Taisho.*

EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"If in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japa-

nese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs.

Exchange of Notes Respecting the Fukien Question.

*Peking, the 25th day of the 5th month of
the 4th year of Taisho.*

EXCELLENCY,

A report has reached me to the effect that the Chinese Government has the intention of permitting foreign nations to establish, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; and also of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I have the honour to request that Your Excellency will be good enough to give me reply stating whether or not the Chinese Government really entertains such an intention.

I avail, etc.,

Signed: HIOKI EKI.

His Excellency, LOU TSENG-TSIANG
Minister of Foreign Affairs.

REPLY.

*Peking, the 25th day of the 5th month of
the 4th year of the Republic of China.*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date which I have noted.

In reply I beg to inform you that the Chinese Government hereby declares that it has given no permission to foreign

nations to construct on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; nor does it entertain an intention of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I avail, etc.,

Signed: LOU TSENG-TSIANG.

His Excellency, HIOKI EKI
Japanese Minister.

No. 18.

China's Declaration of War on Germany and Austria-Hungary, August 14, 1917.

On the 9th day of the 2nd month of this year (February 9, 1917) the Government of the Republic addressed a protest to the German Government against the policy of submarine warfare inaugurated by Germany, which was considered by this Government as contrary to International Law, and imperilling neutral lives and property, and declared therein that in case the protest should be ineffectual this Government would be constrained, much to its regret, to sever diplomatic relations with Germany.

Contrary to our expectations, however, no modification was made in Germany's submarine policy after the lodging of our protest. On the contrary, the number of neutral vessels and belligerent merchantmen destroyed in an arbitrary and illegal manner was daily increasing and the lives of our citizens lost were numerous. Under such circumstances, although we might yet remain indifferent and endure suffering, with the meagre hope of preserving a temporary peace, in so doing we would never be able to satisfy our people who are devoted to righteousness and sensible to disgrace, nor could we justify ourselves before our sister States which have acted without hesitation in obedience to the dictates of a sense of duty. Both here and in the friendly States, the cause of indignation was the same, and among the people of this country there could be

found no difference of opinion. This Government, therefore, being compelled to consider its protest as being ineffectual, notified the German Government on the 14th day of the 3rd month last of the severance of diplomatic relations and at the same time the events taking place from the beginning up to that time were announced for the general information of the international public.

What we have desired is peace; what we have respected is International Law; what we have to protect are the lives and property of our own people. As we originally had no other grave causes of enmity against Germany, if the German Government had manifested repentance for the deplorable consequences resulting from its method of warfare, it might have been expected to modify that policy in view of the common indignation of the whole world. That was what we have eagerly desired, and it was the reason why we have felt reluctant to treat Germany as a common enemy. Nevertheless, during the five months following the severance of diplomatic relations, the submarine attacks have continued exactly as before. It is not Germany alone, but Austria-Hungary as well, which has adopted and pursued this policy without abatement. Not only has International Law been thereby violated, but also our people are suffering injuries and losses. The most sincere hope on our part of bringing about a better state is now shattered.

Therefore, it is hereby declared, that a state of war exists between China on the one hand and Germany and Austria-Hungary on the other commencing from ten o'clock of this, the 14th day of the 8th month of the 6th year of the Republic of China.

In consequence thereof, all treaties, agreements, and conventions, heretofore concluded between China and Germany, and between China and Austria-Hungary, as well as such parts of the international protocols and international agreements as concern only the relations between China and Germany and China and Austria-Hungary are, in conformity with the Law of Nations and international practice, hereby abrogated. This Government, however, will respect the Hague Conventions and its international agreements respecting the humane conduct of war.

The chief object in our declaration of war is to put an end to the calamities of war and to hasten the restoration of peace. All our citizens will appreciate this to be our aim. Seeing, however, that our people have not yet at the present time recovered from sufferings on account of the recent political disturbances and that calamity again befalls us in the breaking out of the present war, I, the President of this Republic, cannot help having profound sympathy for our people when I take into consideration their further suffering. I would never have resorted to this step which involves fighting for the very existence of our nation, were I not driven to this unavoidable decision.

I cannot bear to think that through us the dignity of International Law should be impaired, or our position in the family of nations should be undermined or the restoration of the peace and happiness of the world should be retarded. Let the people of this entire nation do their utmost in this hour of trial and hardship in order to safeguard and develop the national existence of the Shung Hua Republic, so that we may establish ourselves amidst the family of nations and share with all mankind the prosperity and blessings drawn from our common association. Let this proclamation be published in order that it may be generally known.

SEAL OF THE PRESIDENT

*Peking, the 14th day of the 8th month, the 6th year of the
Chung Hua Republic (August 14th, 1917.)*

Countersigned by:

TUAN CHH-JUI, Premier and Minister of War.	LIANG CHH-CHAO, Minister of Finance.
WANG TA-HSIEH, Minister of Foreign Affairs.	LIU KWAN-HSIUNG, Minister of the Navy.
TANG HUA-LUNG, Minister of the Interior.	LING CHANG-MING, Minister of Justice.
FAN YUAN-LIEN, Minister of Education.	
CHANG KUO-KAN, Minister of Agriculture and Commerce.	
TSAO JU-LIN, Minister of Communications.	

No. 19.

Exchange of Notes Between the Chinese Minister at Tokio and the Japanese Minister for Foreign Affairs Respecting the Construction of Chinan-Shunteh and Kaomi-Hsuchow Railways, September 24th, 1918.

Note From Mr. Tsung-Hsiang Chang to the Japanese Minister for Foreign Affairs.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

The Chinese Government has decided to obtain loans from Japanese capitalists for the purpose of constructing as soon as possible the railways connecting points as below set forth. Having received an authorization from my Government, I have the honour to communicate the same to your Government.

1° Between Chinan and Shunteh;

2° Between Kaomi and Hsu-chow.

However, in case the above-mentioned two lines are deemed to be disadvantageous from the point of view of railway enterprise, other suitable lines will be decided upon by consultation.

Should there be no objection to the above propositions it is requested that your Government will proceed forthwith to take the necessary steps to cause Japanese capitalists to agree to enter into negotiations for loans on the same.

A reply to the above communication will be appreciated.

Signed: TSUNG-HSIANG CHANG.

His Excellency, BARON SHIMPEI GOTO, etc.

Baron Goto to the Chinese Minister at Tokio.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note of this day's date in which you state that your Government has decided to obtain loans from Japanese capitalists for the purpose of construction as soon as possible the railways connecting points as below set forth.

(Quotes Items 1—2 as given in the note of the Chinese Minister.)

The Imperial Government acknowledge with pleasure the communication of the Chinese Government, and beg to state in reply that they will proceed forthwith to take the necessary steps to cause Japanese capitalists to agree to enter into negotiations for loans on the same.

Signed: SHIMPEI GOTO.

His Excellency, Mr. TSUNG-HSIANG CHANG, etc.

No. 20.

Preliminary Contract Between China and Japan Respecting the Chinan-Shunteh and Kaomi-Hsuchow Railways, September 24th, 1918.

The full text of the preliminary contract for the Chinan-Shunteh and Kaomi-Hsuchow railways construction loan is as follows:

For the construction of two railways—one from Chinan in the Province of Shantung to Shunteh in the Province of Chili, the other from Kaomi in the Province of Shantung to Hsuchow in the Province of Kiangsu (hereafter called the Two Railways)—the Government of the Republic of China (hereafter called the Government) of the first part, and the Japanese Industrial Bank representing the three banks, the Japanese Industrial Bank, the Taiwan Bank, and the Chosen Bank (hereafter called the Banks) of the second part, hereby make the following preliminary contract as a basis for the conclusion of a formal loan contract.

ART. 1.—The Government agrees that to meet all the expenses necessary for the construction of the railway from Chinan, in the Province of Shantung, to Shunteh, in the Province of Chili, and that from Kaomi, in the Province of Shantung, to Hsuchow, in the Province of Kiangsu, the Banks shall issue Chinese Government Chinan-Shunteh Railway Gold and Kaomi-Hsuchow Railway Gold Bonds (hereafter called bonds of the Two Railways). But to assure the success of the Chinan-Shunteh and Kaomi-Hsuchow lines, if as a railway enterprise the location of the lines should be found to be not

advantageous, the Government may arrange with the Banks to chance the location of the lines.

ART. 2.—The Government will soon determine the amount required for the construction and of all other necessary expenses, and secure concurrence of the Banks therefor.

ART. 3.—The bonds of the Two Railways shall expire at the end of 40 years dating from the day of issue. Repayment shall begin from the eleventh year and be made in accordance with a plan of amortization.

ART. 4.—As soon as the formal contract shall have been made, the construction work shall begin so that the railroads may be completed in a short time.

ART. 5.—The Government pledges the following as security for the repayment of the principal and interest on the bonds of the Two Railways; all properties now belonging or will in the future belong to the Chinan-Shunteh and Kaomi-Hsuchow Railways.

Without the consent of the Banks, the Government shall not pledge away to any other party as security or guarantee any part of the property or its income which at present belongs, or will, in future, belong to Chinan-Shunteh and Kaomi-Hsuchow Railways.

ART. 6.—The price of issue of the railways' bonds, the interest thereon, and the actual amount to be received by the Government shall be agreed upon according to the circumstances at the time of issue always, however, with a view to the best interests of the Government.

ART. 7.—Conditions which have not been provided for in the preceding articles shall be decided between the Government and the Banks in common accord.

ART. 8.—A formal contract for the Chinan-Shunteh and Kaomi-Hsuchow Railway loan shall be based on this preliminary contract, and be made within four months from the date of this contract.

ART. 9.—On the conclusion of this preliminary contract, the Banks will advance to the Government 20,000,000 yen in the full amount without any discount whatsoever.

ART. 10.—The rate of interest on the said advance shall be eight per cent per annum, that is to say, every one hundred yen shall bear a yearly interest of eight yen.

ART. 11.—The said advance shall be paid against the delivery of national treasury notes issued by the Government, according to their actual value.

ART. 12.—The national treasury notes referred to in the preceding article shall be renewed every six months, and upon each renewal, the interest thereon for the six months shall be paid to the Banks.

ART. 13.—After a formal contract for the Chinan-Shunteh and Kaomi-Hsuchow railway loan has been made, the Government shall appropriate the proceeds realized from the sale of the above-said bonds in payment, by priority, and without delay, of the above advance.

ART. 14.—The payment of the said advance and of the interest thereon, its repayment, and all other transactions connected therewith, shall be made at Tokyo, Japan. This preliminary contract is made in two Japanese copies, and two Chinese copies, the Government and Banks shall each keep one copy of each language. In case of doubt in interpretation, the Japanese text shall prevail.

The 24th day, 9th month, 7th year of the Republic of China.

Signed: TSUNG-HSIANG CHANG,
Chinese Minister.

A. ONO,
Vice-President of the Japanese Industrial Bank.

No. 21.

Exchange of Notes Between the Chinese Minister at Tokio and the Japanese Minister for Foreign Affairs Respecting Adjustment of Questions Concerning Shantung, September 24th, 1918.

Note From Baron Goto to the Chinese Minister at Tokio.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

The Japanese Government, mindful of the amiable relations between our two countries and out of a spirit of friendly co-

operation, propose to adjust all the questions relating to Shantung in accordance with the following Articles:

1. Japanese troops along the Kiaochow-Chinan Railway, except a contingent of them to be stationed at Chinanfu, shall be withdrawn to Tsingtao.

2. The Chinese Government may organize a police force to undertake the policing of the Kiaochow-Chinan Railway.

3. The Kiaochow-Chinan Railway is to provide a reasonable amount to defray the expense for the maintenance of the above-mentioned police force.

4. Japanese are to be employed at the headquarters of the above-mentioned police force at the principal railway stations and at the police training school.

5. Chinese citizens shall be employed by the Kiaochow-Chinan Railway Administration as part of its staff.

6. The Kiaochow-Chinan Railway, after its ownership is definitely determined, is to be made a Chino-Japanese joint enterprise.

7. The civil administration established by Japan and existing now is to be abolished.

The Japanese Government desire to be advised of the attitude of your Government regarding the above-mentioned proposals.

Signed: SHIMPEI GOTO.

His Excellency, Mr. TSUNG-HSIANG CHANG, etc.

Mr. Tsung-Hsiang Chang to the Japanese Minister for Foreign Affairs.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note stating:

The Japanese Government, mindful of the amiable relations between our two countries and out of a spirit of friendly co-operation, propose to adjust all the questions relating to Shantung in accordance with the following Articles.

(Quotes Items 1-7 as contained in the note of the Japanese Minister for Foreign Affairs.)

In reply, I have the honour to state that the Chinese Government are pleased to agree to the above-mentioned Articles proposed by the Japanese Government.

Signed: TSUNG-HSIANG CHANG.

His Excellency, BARON SHIMPEI GOTO, etc.

No. 22.

Exchange of Notes Between the Chinese Minister at Tokio and the Japanese Minister for Foreign Affairs for Building Four Railroads in Manchuria and Mongolia, September 24th, 1918.

Note From Mr. Tsung-Hsiang Chang to the Japanese Minister for Foreign Affairs.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

The Chinese Government have decided to obtain loans from Japanese capitalists for the purpose of building as soon as possible the railways connecting the points as below set forth. Having received an authorization from my Government, I have the honour to communicate the same to your Government.

- 1° Between Kai-yuan, Hailung and Kirin;
- 2° Between Changchun and Taonan;
- 3° Between Taonan and Dalny (?);
- 4° From a point between Taonan and Jehol to some seaport (this line to be determined in future after an investigation).

Should there be no objection to the above propositions it is requested that your Government will proceed forthwith to take the necessary steps to cause Japanese capitalists to agree to enter into negotiations for loans on the same.

A reply to the above communication will be appreciated.

Signed: TSUNG-HSIANG CHANG.

His Excellency, BARON SHIMPEI GOTO, etc.

Baron Goto to the Chinese Minister at Tokio.

Tokio, September 24, 1918.

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note in which you state that your Government have decided to obtain loans from Japanese capitalists for the purpose of constructing as soon as possible the railways connecting points as below set forth.

(Quotes Items 1-4 as contained in the note of the Chinese Minister.)

The Imperial Government acknowledge with pleasure the communication of the Chinese Government, and beg to state in reply that they will promptly take the necessary steps to cause Japanese capitalists to agree to enter into negotiations for loans on the same.

Signed: SHIMPEI GOTO.

His Excellency, Mr. TSUNG-HSIANG CHANG, etc.

No. 23.

Preliminary Contract for Loans to Build Four Railroads in Manchuria and Mongolia, September 28th, 1918.

The Chinese Government (hereafter called the Government), for the purpose of building four railroads:

1. From Jehol to Taonan,
2. From Changchun to Taonan,
3. From Kirin via Hailung to Kai-yuan,

4. From a point between Jehol and Taonan to some point on the sea coast (the said four roads to be hereafter mentioned as the 4 roads in Manchuria and Mongolia) and as a preparatory measure for a formal contract, hereby concludes with the syndicate represented by the Japanese Industrial Bank and composed of:

1. The Japanese Industrial Bank,
2. The Taiwan Bank,
3. The Chosen Bank,

(hereafter mentioned as the Banks) the following Preliminary Contract:

ART. 1.—The Government authorizes the aforementioned Japanese Banking Syndicate to issue:

1. Chinese Government Jehol-Taonan R. R. Gold Bonds.
2. Chinese Government Changchun-Taonan R. R. Gold Bonds.
3. Chinese Government Kirin-Kai-yuan R. R. Gold Bonds.
4. Chinese Government (name to be determined) R. R. Gold Bonds, (hereafter to be designated as Manchuria-Mongolia 4 Railway Bonds) to cover the constructing expenses of the above-mentioned four R. R.

The Government and the Banks shall conjointly determine the point on the Jehol-Taonan R. R. to be connected to some seaport and the route to be taken by the R. R. connecting said point with said seaport.

ART. 2.—The Government shall determine as soon as possible the constructing and other expenses needed by the four R. R. and shall obtain the agreement of the Banks in respect thereof.

ART. 3.—The Gold Bonds of the four R. R. shall expire at the end of forty years, counting from the date of issue of said bonds.

Beginning with the eleventh year from the date of issue, the repayment of the said bonds shall commence in accordance with a system of amortization.

ART. 4.—When the Formal Contract for the loan to build the four R. R. is concluded, the Chinese Government shall conjointly with the Banks decide on an engineering program of construction and construction shall begin with a view to the speedy completion of the said R. R.

ART. 5.—As guarantee for the capital and interest of the Gold Bonds, the Government shall pledge to the Banks the present and future property and income of the four R. R.

Unless with the consent of the Banks the Government shall not pledge the above-mentioned property and income as guarantee or security to any other party.

ART. 6.—The price of issue, the rate of interest and the actual amount to be received by the Government in respect of the Gold Bonds shall be determined in accordance with the conditions at the time of issue of said bonds, always, however, to the best interests of the Government.

ART. 7.—The Government and the Banks shall conjointly decide on matters not covered by the above articles.

ART. 8.—The present Preliminary Contract shall form the basis for a Formal Contract which shall be concluded within four months from the conclusion of the present Preliminary Contract.

ART. 9.—The Banks, after the conclusion of the Preliminary Contract, shall advance to the Government Yen 20,000,000 to be paid in full and without discount.

ART. 10.—The interest of the above-mentioned advance shall be eight per cent per annum, to wit, for every one hundred yen there shall be eight yen as annual interest.

ART. 11.—The above-mentioned advance shall be paid against the delivery of the National Treasury Notes issued by the Government at their actual value.

ART. 12.—The said National Treasury Notes shall be renewed every six months, each time with the payment of six months' interest.

ART. 13.—When the Formal Contract for loans to build the four R. R. is concluded, the advance shall have priority of repayment from the proceeds of the Gold Bonds.

ART. 14.—The payment of both the interest and the advance and other transactions connected therewith shall take place in Tokio.

Copies of this Preliminary Contract shall be prepared in both the Chinese and Japanese languages, two copies in each

language. The Government and the Banks shall each be furnished with two copies, one in each language.

In case of disagreement in the interpretation of the Preliminary Contract the Japanese language shall prevail.

Done this Twenty-eighth Day of Ninth Month of the Seventh Year of the Republic of China.

This Twenty-eighth Day of Ninth Month of the Seventh Year of the Reign of Taisho of the Imperial Government of Japan.

TSUNG-TSIANG CHANG,

Envoy Extraordinary and Minister Plenipotentiary
of the Republic of China to Japan.

A. ONO,

Vice-president of the Japanese Industrial Bank.

QUESTIONS FOR READJUSTMENT

SUBMITTED BY CHINA
TO THE PEACE
CONFERENCE



RENUNCIATION OF THE SPHERES OF INFLUENCE OR INTEREST.

The Chinese Government, in their desire to expedite China's economic development, have sought to extend to all nations alike the opportunities for trade and investment which China offers by reason of her large population and rich resources. In this effort they have encountered obstacles in the so-called spheres of influence or interest claimed by certain Powers having interests in China. The idea underlying the claims seems to be that within the sphere of influence or interest the Power claiming it should be entitled to enjoy reserved territorial advantages or preferential or exclusive rights and privileges of trade and investment.

It was Germany who first claimed a sphere of influence or interest over the Province of Shantung, and later other Powers, apparently out of a desire to maintain the balance of power in the Far East, advanced similar claims in regard to other parts of the territory of China.

The claims of foreign Powers for spheres of influence or interest in China are either based upon agreements between themselves to which China is not a party, such as the Agreement of September 2, 1898, relating to railway construction, concluded between British and German banking groups and sanctioned by their respective Governments, and the Anglo-Russian Convention of April 28, 1899, concerning their respective railway interests in China; or based upon treaties or agreements made with China under circumstances precluding the free exercise of her will, such as the so-called non-alienation agreements made during the period known as that of the battle for Concessions, the Convention with Germany for the lease of Kiaochow of March 6, 1898, and the Treaties and Notes of May 25, 1915, made with Japan in consequence of the latter's twenty-one demands on China.

The policy of claiming spheres of influence or interest in China appears unjustifiable for several reasons. In the first place, it hampers rather than helps China's economic development. It appears to be conceived to serve the interests of none

but those of the Power in whose favour the claim is advanced. It looks upon a particular province or provinces of China as a preserve for exclusive exploitation by its own citizens or subjects without regard to the economic needs of the Chinese people. It restricts the natural flow of surplus capital, denies the freedom of selection in the purchase of materials and in the employment of technical experts, and seeks to check the operation of the principle of supply and demand. There have been several instances of one nation or another who was unable itself to supply the necessary capital or the proper men for a particular enterprise in a region it claims for its sphere of influence or interest and yet who refused to allow the enterprise either financed or carried out by other nations who could supply both the money and the men.

In the second place, it prejudices the common interests of other nations, vitiating the principle of equal opportunity for the commerce and industry of all nations. Instead of sharing the advantages and opportunities with other Powers on a footing of equality, that Power which claims a sphere of influence or interest over a given region and enjoys exclusive or preferential rights and privileges therein whether for building railroads, opening mines or financing other industrial enterprises, usually gains an economic ascendancy and gradually gathers in its hands all the elements for economic domination over that region.

But a graver objection to the claims for spheres of influence or interest lies in the fact that the claim of one nation always leads to similar claims by other nations over other parts of China's territory. Insistence on the claims for spheres of influence or interest in China can only lead, in the ultimate result, not to a unified and co-ordinated process of economic development of whole China, but rather to the building up within her domain of a number of rival economic areas, threatening her territorial integrity and political independence as well as giving rise to international jealousy and friction and thereby jeopardizing the peace of the Far East. The true interests of the world as well as the national welfare of China appear to call for the renunciation by the Powers concerned of their claims for spheres of influence or interest in China, spheres which con-

stitute veritable "economic barriers" to the application of the generally accepted principle of equal opportunity for the commerce and industry of all nations, and which tend to foster "economic antagonisms" most susceptible to transformation into elements of serious international discord.

In view of the foregoing considerations, the Chinese Government hope that the interested Powers will, out of their sincere regard for the sovereign rights of China and the common interests of all nations having trade relations with her, make a declaration, each for itself, to the effect that they have not any sphere of influence or interest in the Republic of China, nor intend to claim any; and that they are prepared to undertake a revision of such treaties, agreements, notes or contracts previously concluded with her as have conferred, or may be construed to have conferred, on them, respectively, reserved territorial advantages or preferential rights or privileges to create spheres of influence or interest impairing the sovereign rights of China.

WITHDRAWAL OF FOREIGN TROOPS AND POLICE.

The presence of foreign troops and police in Chinese territory other than those in the leased territories and in the foreign settlements and concessions, which have been dealt with in the memorandum on these two subjects, has been a matter of increasing concern to the Chinese Government. To present the situation clearly, it is desirable to discuss the question under two separate headings.

I. FOREIGN TROOPS IN CHINA.

A. ORIGIN OF THEIR PRESENCE.

They are of two classes: (1) those who remain in China under the sanction of treaty and (2) those whose presence is unwarranted.

(1) In their note of December 22, 1900, communicating to the Chinese Government the peace terms consequent on the

Boxer Uprising, the foreign Powers demanded, among other things, "the right of each Power to maintain a permanent guard in the quarter for the defence of its Legation." This right was granted in China's reply of January 16, 1901, and confirmed in the final Protocol of September 7, 1901. In the same instrument there was granted to the Powers, signatories thereof, "the right of occupying certain points to be determined by agreement between them for keeping the communication free between the Capital and the sea." For this purpose a number of points along the Peking-Mukden Railway were specified for occupation by foreign troops. All the foreign Powers, signatories of the Protocol of 1901, except Spain, have stationed troops at one or more of these points, these Powers being Austria-Hungary, Belgium, France, Germany, Great Britain, Holland, Italy, Japan, Russia and the United States. The total number of these foreign troops fluctuated before the war around 9,000. While the troops of some of the Powers were withdrawn after the outbreak of the war in 1914, and while the German and Austrian troops were interned by China on the rupture of diplomatic relations with the Central Powers, those of the other Powers still remain.

(2) Foreign troops are present also in several other places in China, and these, unlike the Legation Guards and the troops stationed along the Peking-Mukden Railway, remain on Chinese soil, not by sanction of treaty, but against the repeated protests of the Chinese Government.

(a) In Manchuria there are stationed Japanese and Russian troops. While the Chinese Eastern Railway Agreement of 1896 between China and the Russo-Chinese Bank provided in Article V that the Chinese Government "will take measures for the protection of the line and the men employed thereon," the Russian Government, in its subsequent charter to the Chinese Eastern Railway Company, stated that "the preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company," and that "the Company shall for this purpose draw up and establish police regulations." Under these provisions, railway guards were maintained by the Company. In the course

of constructing the line, however, Russia despatched troops to Manchuria, on the pretext of protecting the railway. The outbreak of Boxers in Northern China gave her occasion to increase her military forces in Manchuria. Her troops occupied Newchuang, Mukden and all the important points along the Chinese Eastern Railways. Although by her agreement of April 8, 1902, with China, Russia undertook to effect a complete withdrawal of all her troops within a stipulated period, she refused to carry out her undertaking fully. Instead she merely moved her troops into the territory occupied by the Railway Company and in addition occupied ports at the mouth of the Liao River and the towns of Fenghwangcheng and Antung. Then followed the fruitless Russo-Japanese negotiations, followed in turn by the outbreak of the Russo-Japanese War, which was fought on the soil of Manchuria.

By the Treaty of Portsmouth concluding the war, Russia transferred to Japan the railway from Port Arthur to Changchun. Although in Article III of the Treaty Japan and Russia mutually engaged to evacuate Manchuria completely and simultaneously except the leased territory of Liaotung Peninsula, the contracting parties, in an additional article, reserved "to themselves the right to maintain guards to protect their respective railway lines in Manchuria," the number of such guards not to "exceed fifteen per kilometer, and within that maximum number the commanders of the Japanese and Russian Armies" to fix, by common accord, "the number of such guards to be employed as small as possible while having in view the actual requirements." Thus the Japanese troops and guards came to be stationed along the now called South Manchurian Railway.

While China, by the Agreement of December 22, 1905, with Japan, agreed to the transfer from Russia to Japan of the leasehold rights, railway privileges and mining concessions which Russia had enjoyed before the Russo-Japanese War, the provisions of the said additional article relating to the stationing of railway guards were not assented to by China.

On the contrary, in Article II of the Agreement China expressed an earnest desire "to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as

possible," and the Japanese Government, "in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly." These railway guards have not been withdrawn. While the Chinese troops have, since the outbreak of political disturbance in Russia, taken the place of the Russian guards in the protection of the Chinese Eastern Railway and the line from Harbin to Changchun, the Japanese railway guards along the South Manchurian Railway and the railway from Mukden to Antung still remain.

(b) Since 1909 the Japanese Government have stationed some troops at their Consulates in such places as Liutowkow in the Province of Fengtien and Yenki in the Province of Kirin, and beginning with 1911 the Russians, following the Japanese precedent, also put military guards at their Consulates at such places as Kirin and Yenki.

(c) On the outbreak of the Revolution in China in the autumn of 1911, Japan despatched a battalion of about 600 men to Hankow, 800 miles up the Yangtze River, on the ground of protecting Japanese residents in that city. These have been stationed quite outside of the treaty port limits and have at times numbered as many as 1500. Notwithstanding the repeated requests of the Chinese Government for their withdrawal, these troops still remain. They are equipped with a company of machine guns and now quartered in barracks specially built since, capable of holding 2500 men and provided with a wireless station.

(d) There are also Japanese troops at Liaoyuan, on the border of Inner Mongolia. These were first sent there in 1914. In August of that year a party of Chinese police were engaged in a fight against the bandits in Changtu, far away in the interior of Manchuria. A company of Japanese troops came to pass by the place, and mistaking the Chinese police to be firing against them, opened fire, killing three policemen and a Chinese passer-by, besides wounding ten others. Two Japanese were also wounded, but it could not be ascertained whether the wounds were inflicted by the police or by the bandits. On being apprised of this incident, the Japanese Consul despatched troops

to Liaoyuan. Although the incident was considered closed by China granting redress, which included the punishment of the policemen, reprimand of the police officers and an indemnity of \$12,000, the Japanese troops have not yet been withdrawn.

(e) After the outbreak of the war in Europe in 1914, Japan declared war on Germany and proceeded to attack Tsingtao. For this purpose she landed troops at Lungkow, 150 miles north of their destination. These Japanese forces, on the pretext of military necessity, seized the entire railway from Tsingtao to Chinan in the heart of the Province, occupied all the important stations on the line, and compelled Chinese troops to withdraw from its vicinity. Although the military operations entirely ceased in November, 1914, and Tsingtao was reopened to trade on January 1, 1915, the Japanese troops have remained in the Province against the protest of the Chinese Government. About 2,200 Japanese troops are stationed along the railway.

(f) At Kashgar in the Province of Sinkiang, formerly known as Chinese Turkestan, Great Britain in the year 1896 established a postal agency with several messengers for carrying despatches between this place and India. Five years later the Russians also established a postal agency in the same place protected by over ten mounted guards. Since 1900 the number of Russian troops was raised to 150. In 1918 Great Britain despatched 30 Indian soldiers to this city, stating that they were intended for the protection of the British Consulate there.

B. REASONS FOR WITHDRAWAL.

1. (a) With reference to the foreign troops stationed in China by sanction of the Protocol of 1901, the Chinese Government believe that the necessity of their presence has ceased to exist. That Protocol was a sequel to the Boxer outbreak, and the provisions for the stationing of troops were inspired by the conditions which had then lately prevailed in Northern China. Those conditions have disappeared. The respect of the Chinese for foreign lives and property in recent years has been striking and beyond criticism, even in time of internal disturbance.

(b) The presence of the Legation guards and foreign troops between the Capital and the sea also does violence to the sense

of pride of the Chinese people, in that they are a standing derogation of China's sovereignty. In the same light must be viewed the existence of the special quarters occupied by the foreign Legations, which "shall be considered as one specially reserved for their use and placed under their exclusive control, in which the Chinese shall not have the right to reside and which may be made defensible." Such an area finds no parallel in other capitals of the world.

(c) The stationing of these international garrisons gives rise to incidents disturbing the peace and order of the localities in which they are stationed. Not infrequently troops of one Power quarrel with those of another. Such incidents, while not always grave in nature, have often given cause for anxiety on the part of the Chinese authorities.

2. While the foregoing observations apply equally to the foreign troops who are present in Chinese territory without legal justification, there are additional reasons for urging the withdrawal of these troops.

(a) The presence of foreign troops in Chinese territory jeopardizes the amicable relations among foreign Powers themselves. It will be recalled, as an illustration, that the presence and the continuing massing of Russian troops on the Mongolian frontier and in Manchuria in 1900 rapidly estranged Japan from Russia, and it was the latter's refusal to withdraw her troops from Manchuria which brought on the Russo-Japanese War.

(b) It also disturbs the friendly relations between China and the Power stationing troops in her territory. That such is the case can be seen from a number of unfortunate incidents which have occurred between the Japanese troops in China and the Chinese people, but of which perhaps only a few need be cited here.

The case in 1913 of Colonel Nesimori of the Japanese troops stationed at Hankow who attempted to force his way into the headquarters of the second division of the Chinese Army stationed in the same city and who, when asked by the sentinel to leave, seriously wounded the latter by stabbing him with the sword, caused no little feeling among Chinese military circles.

A more serious case took place in September, 1913, in

Changli in the Province of Chihli, wherein a contingent of forty Japanese troops under one officer attacked the Chinese police station, in order to arrest the policeman who had tried to stop certain Japanese soldiers from stealing pears from a Chinese peddler. The officer stabbed the Chinese police captain and his forty men fired three volleys, killing four Chinese policemen. The case aroused so much feeling among the Chinese people that the Chinese Government felt obliged to take precautionary measures to prevent the people from taking the law into their own hands.

In September, 1913, in Changchun in the Province of Kirin, a contingent of more than 100 Japanese soldiers proceeded to the headquarters of the third and fourth police districts to search for and arrest the Chinese policemen on the ground that the Chinese police had interfered with a Japanese subject attacking a Chinese peddler.

In August, 1916, a fracas took place between Chinese and Japanese troops in Chengchiatun, in Eastern Inner Mongolia, in which four Chinese and twelve Japanese soldiers were killed and others wounded. This incident was taken by Japan as the occasion for presenting to the Chinese Government a series of demands, some of which were highly prejudicial to China's sovereign rights, and jeopardized for five months the amicable relations between China and Japan.

Again, the stationing of Japanese troops in the interior of Shantung Province has given rise to frequent conflicts with the Chinese people thereof and caused no little ill-feeling on their part. In fact it was their unlawful presence in the Province which led to the protest of the Chinese Government, and this was, in turn, seized upon by the Japanese Government as the occasion for presenting the now celebrated Twenty-one Demands in January, 1915, to the detriment of the friendly feelings of the two countries.

In view of the foregoing reasons, the Chinese Government earnestly request (1) that all foreign troops now present on Chinese territory without legal justification be immediately withdrawn; and (2) that Articles VII and IX of the Protocol of September 7, 1901, be declared cancelled, and that the Legation

guards and foreign troops stationed by virtue of these provisions be completely withdrawn within a period of one year from the date when a declaration to this effect is made by the Peace Conference.

II. FOREIGN POLICE.

Since 1905 the Japanese Government have established and gradually extended police agencies in Manchuria, notwithstanding the repeated protests of the Chinese authorities. The number of such agencies, as reported in 1917 by the local authorities of Fengtien and Kirin Provinces, has reached twenty-seven.

It will be recalled that while foreign police has been established in certain foreign Settlements and Concessions in China under the sanction of treaty or of "land regulations" approved by the Chinese Government, no such privilege has been granted to any foreign Power in other parts of Chinese territory. The establishment of Japanese police agencies in Manchuria has no justification.

The Japanese Government have sought on several occasions to obtain from the Chinese Government the privilege of stationing Japanese police officers in South Manchuria and Eastern Inner Mongolia, especially in connection with the Chengchiatun affair in August, 1916. In order to settle this case, they demanded, among other things, that China should "agree to the stationing of Japanese police officers in places in South Manchuria and Eastern Inner Mongolia where their presence was considered necessary for the protection of Japanese subjects"; and that she should also "agree to the engagement by the officials of South Manchuria of Japanese police officers." This demand was later explained by the Japanese Government on the ground that they considered it necessary to station Japanese police officers in these regions for the control and protection of their own subjects; that a number of Japanese police officers had already been stationed in the interior of South Manchuria and had been recognized by the local officials of the localities concerned, since intercourse had been conducted between them; and that such a privilege was "but a corollary of the right of extraterritoriality."

In reply to this, the Chinese Government stated that as there were already treaty provisions concerning the protection and control of Japanese subjects, there was no necessity to station Japanese police officers; that the question of police could not be associated with extraterritoriality and they could not recognize it as a corollary thereof; that since the conclusion of extraterritoriality treaties, no such claim had ever been heard; and that in regard to the Japanese police stations already established, they and the local authorities had repeatedly lodged their protests, and wished again to protest and ask for their removal.

The Chinese Government now continue to hold the above view as regards the Japanese police agencies in Manchuria and desire again to urge their immediate withdrawal, along with the foreign troops and military guards now stationed in China without legal justification.

WITHDRAWAL OF FOREIGN POST OFFICES AND AGENCIES FOR WIRELESS AND TELEGRAPHIC COMMUNICATIONS.

Foreign Post Offices began to open branches and agencies in the principal Treaty Ports of China in the early sixties of last century. The opening of these offices was not based on any treaty provision or concession. Their existence and gradual increase since has merely been tolerated by the Chinese Government.

About the same time a regular service for the carriage of mails was established on Western lines in connection with the Customs, operating chiefly between the numerous ports on the coast of China and those far up the Yangtze River. The service continued to work and improve its machinery year by year till at last in 1896 it was established by an Imperial Decree as a separate Government Department with a full staff of Commissioners and subordinates devoting their whole time to the work and entirely distinct from the Customs staff.

This connection of the Postal Service with the Customs

continued till 1911 when it was entirely detached and placed under the direct control of the Ministry of Communications.

Though China had been formally invited to join the Universal Postal Union as early as 1878 she hesitated to do so until she could feel that her organization was complete for the work and it was not till 1914 that the final step was taken. Since September of that year the Chinese Postal Department has functioned successfully as a member of the Universal Postal Union, having been placed in the first class and contributing as much towards the general expenses as any other member.

When the Postal Department was transferred from the Customs to the Ministry of Communications in 1911, it had already spread its nets widely over the whole of China well into the regions of Mongolia as far as Kashgar and the frontiers of Russia. In that year the number of offices and agencies that had been established amounted to 6201, and in 1917 the number had increased to 9103.

The mail lines over which the service was carried on (including a small percentage in which railway, steamer, and river boat facilities were availed of) amounted at the end of 1917 to over 520,000 *li* (equal to, say, 173,000 miles), the aggregate distance having increased some 34,000 *li* since 1914.

The work done has advanced with equal strides. In 1917 the articles or pieces of mail matter dealt with amounted to a gross total of 965,748,371 pieces, as compared with 692,182,200 in 1914 and 421,000,000 odd in 1911.

In addition a parcel post has been established which is freely availed of. In 1917, 11,465,061 parcels were handled, the declared value of which was \$136,137,200 and the weight 39,797,271 kilos, say approximately 40,000 tons.

A Registration Section has also been established with a system of insuring letters and parcels. Parcels are also now received on which money has to be collected at the place of delivery, that is, parcels with "trade charges" attached or "cash-on-delivery" parcels.

A Money Order Section which is largely availed of has also been in working order for some years. Orders to the number of 1,030,000, and of the aggregate value of \$21,523,000 were

issued in 1917. Especially to be noted is the use made of this money order service by the British and French Governments as the channel for the payment of monthly allotments to families of tens of thousands of the labourers who have gone abroad to serve in Labour Corps in France and Flanders. The amount issued to the British Emigration Bureau of Weihaiwei alone totalled over \$1,000,000 for the last nine months of 1917. In the handling of these money orders, which were sent to over 25,000 families, mostly residing in remote places in Chihli and Shantung, it is a significant fact that not one order was lost in transmission.

In the beginning the service was unavoidably run at a loss, but within the last few years the Postal Service has become more than self-supporting as the following approximate figures for 1917 show:—

Revenue:— \$8,546,000. Expenses:— \$7,124,000.
giving a surplus of \$1,422,000 available for improvements and developments.

It is to be noted also that there was very little interruption of the Postal Service in China during the Revolution, even in the remotest parts of the country.

To carry on an establishment so extensive as described necessarily requires a large staff. At the end of December, 1917, the Foreign Staff, which had been much reduced owing to the war, amounted to over a hundred—Commissioners, Deputy Commissioners, Assistants and Postal Officers—of various friendly nationalities. On the same date the total Chinese staff of all ranks amounted to 25,867. It may be added that it is not the intention of the Chinese Government to dispense with the services of foreigners in their Postal Department as long as their assistance is considered necessary or desirable.

From the foregoing outline of the growth of the Chinese Postal Service, from its modest beginnings over fifty years ago, it will be seen how the institution has gradually developed to its present dimensions, becoming complete in all its branches, and discharging its functions with thorough efficiency, and having already for over five years taken its place as a fully equipped member of the Universal Postal Union.

Having thus proved itself fully competent to carry on satisfactorily all the functions of a post office, the Chinese Government are of opinion that the time has now come when their own postal service should become the sole establishment of the kind carrying on postal work within the limits of the Chinese territory, as is the rule in every other independent country. They, therefore, giving the said offices ample time to wind up their affairs, submit to the Conference that all foreign post offices be withdrawn from China on or before January 1st, 1921.

Furthermore, in connection with the withdrawal of foreign post offices, the Chinese Government must demand that no foreign wireless or telegraphic installations of any kind shall be set up on Chinese territory and that all such installations as may have already been set up on Chinese territory shall be handed over forthwith to the Chinese Government upon due compensation being given.

ABOLITION OF THE CONSULAR JURISDICTION.

It is hardly necessary to dwell on the incompatibility of consular jurisdiction with the exercise of the right of territorial sovereignty. Suffice it to say that the consular jurisdiction in China is not and was not based upon any principle of International Law, but was merely created by the Treaties. Among the treaty stipulations which brought consular jurisdiction into existence, we may mention Art. XIII of the Sino-British Treaty of 1843, which was abrogated by and substantially incorporated into the Sino-British Treaty of Tientsin in Art. XV, XVI and XVII (see appendix 1); Art. XXI and XXV of the Sino-American Treaty of 1844 (see appendix 2); and Art. XXV, XXVII and XXVIII of the Sino-French Treaty of the same year (see appendix 3). The reasons assigned to justify the introduction of the system into China were the then fundamental difference between the Chinese and the foreign laws and the imperfection of the Chinese judicial machinery.

That this system is admittedly a makeshift to be eventually abandoned, is clearly shown by the Art. XII of the Sino-British

Treaty of 1902 which provides: "China having expressed a strong desire to reform her judicial system and bring it into accord with that of western nations, Great Britain agrees to give every assistance to such reforms, and she will also be prepared to relinquish her extraterritorial rights when she is satisfied that the state of Chinese laws, the arrangements for their administration, and other considerations warrant her in so doing." Similar provisions are found in Art. XV of the Sino-American Commercial Treaty of 1903, and in Art. XI of the Sino-Japanese Commercial Treaty of the same year.

The several friendly powers having thus given their formal and explicit promise, the primary question to be answered is, therefore, whether the state of Chinese laws and the arrangements for their administration have attained a point to satisfy these and other treaty Powers and warrant them in relinquishing their extraterritorial rights. While we do not claim that the Chinese laws and their administration have now reached such a state as has been attained by the most advanced nations, we do feel confident to assert that China has made very considerable progress in the administration of justice and in all matters pertaining thereto since the signing of the above-mentioned Commercial Treaties. Let us enumerate a few instances:

1. China has adopted a National Constitution prescribing, among others, the separation of governmental powers, assuring to the people their inviolable fundamental rights of life and property and guaranteeing the complete independence and ample protection of judicial officers and their entire freedom from interference on the part of the executive or legislative powers (see appendix 4).

2. She has prepared five Codes, namely, the Criminal, Civil and Commercial Codes, and the two Codes of Procedure in civil and criminal cases. Some of them are provisionally in force, as the Provisional Criminal Code and some chapters of the Codes of Procedure; others are duly promulgated, as the Law for the Organization of the Judiciary, the Provisional Regulations of the High Courts and their Subordinate Courts, the Ordinance for Commercial Associations, the Regulations for

the Court of Arbitration in Commercial Matters, and so on. (See appendices 5, 6, 7, 8, and 9.) These different codes and laws have been carefully adopted from those of the most advanced nations and made adaptable to the situations in China.

3. Three grades of new courts have been established, namely: District Courts, High Courts or Courts of Appeal, and the Taliyuan or the Supreme Court in Peking. Side by side there has been established also the system of procuratorates with three corresponding grades (see appendix 10).

4. Among the improvements in legal proceedings, we may mention the complete separation between civil and criminal cases, the publicity of all trials and judgments rendered; and in criminal cases weight is laid on circumstantial evidence and personal testimony, the employment of corporal punishment to coerce confessions having long been abolished. The system of legal counsel is also in vogue, but no one is allowed to practise the profession unless he has passed regular examinations or met certain equivalent requirements.

5. The judicial officers of all the courts, high and low, have received regular legal trainings, and a large number of them have studied in universities abroad.

6. The prison and police systems have been reformed and improved, and the success of these reforms is evident to all (see appendices 11, 12, 13, 14, 15 and 16).

In view of the satisfactory results China has already obtained and the progress she has been making from day to day in the domain of legislative and judicial reforms, the reasons for the introduction of consular jurisdiction into China have ceased to exist, and the day when the conditions provided in the Treaties of 1902-1903 will be fulfilled is not far distant. Furthermore, the maintenance of this system will appear to be still less justifiable, if we look at the serious defects in its working:—

Firstly, we find defect due to the diversity of laws to be applied. The prevailing rule by which the consular jurisdiction is determined is that of defendant's nationality: claims against

Englishmen must be made in English Courts, against Frenchmen in French Courts, against Americans in American Courts, and so forth. What constitutes an offence or cause of action in one consular court may not be treated as such in another. It is for this reason that different decisions are given, while the facts are exactly the same, and this inequality of treatment hurts the sentiment of equity and justice.

The second defect is the lack of effective control over witnesses or plaintiffs of another nationality. Where the testimony of a foreign witness of a nationality different from that of the defendant is required, the court is dependent upon his voluntary action, and if, after he has voluntarily appeared, he should decline to answer questions, he could not be fined or committed for contempt of court, nor could he be punished by that court if he should commit perjury. So also a foreign plaintiff cannot be punished by that court for perjury or contempt of court. From the same want of control over a foreign plaintiff arises another grave flaw in the system of consular jurisdiction. If the defendant has no defence against the plaintiff but has a counter-claim, the court cannot entertain the counter-claim, however obvious the validity of that counter-claim may be.

The third defect is the difficulty of obtaining evidence where a foreigner commits a crime in the interior. By the treaties, if a foreigner, while travelling in the interior, commits any offence against the law, "he shall be handed over to the nearest Consul for punishment, but he must not be subjected to any ill-usage in excess of necessary restraints." "This, rendered into plain language," said the American Minister, Mr. Reed, "means that the foreigner who commits a rape or murder a thousand miles from the sea-board is to be gently restrained, and remitted to a Consul for trial, necessarily at a remote point, where testimony could hardly be obtained or ruled on."

The fourth defect lies in the conflict of consular and judicial functions. The first duty of a Consul is to look after the interests of his nationals. It is, therefore, scarcely consistent to add to that duty the task of administering justice. When a complaint is brought against his nationals, the duty of protection of a class and the administration of impartial

justice between that class and others cannot but clash. Such a practice is obviously contrary to the modern principle of the separation of administrative and judicial functions.

Not to mention many other grounds, the inherent defects in the working of the artificial system are in themselves sufficient grounds for its abolition. It has, therefore, manifested a marked tendency to disappear everywhere sooner or later. It was totally abolished in Japan in 1899 by the treaties concluded successively with the several Powers as a consequence of the codification of the Civil, Commercial and Criminal Laws and the promulgation of the Law of Judicial Organization. In Siam, the reorganization of local courts brought Great Britain, France and other Powers to consent to a partial surrender of the right of jurisdiction to the territorial authorities and to a future extension of their competence after the accomplishment of certain determined reforms.

China, therefore, asks that the system will also disappear in China at the expiration of a definite period and upon the fulfillment of the following conditions:—

1. The promulgation of a Criminal, a Civil, and a Commercial Code, a Code of Civil Procedure and a Code of Criminal Procedure.

2. The establishment of new courts in all the districts which once formed the chief districts of the old prefectural divisions, that is to say, in fact, in all the localities where foreigners reside.

China undertakes that by the end of 1924 the above-mentioned conditions shall be fulfilled. On the other hand, she requests the Treaty Powers to give their promise that upon the fulfillment of the conditions they will at once relinquish their consular jurisdiction and the jurisdiction of their special courts (if they have any) in China.

Before, however, the actual abolition of consular jurisdiction, China asks furthermore the Powers to give immediately their consent to:

- a. That every mixed case, civil or criminal, where the defendant or accused is a Chinese be tried and adjudicated by Chinese courts without the presence or interference of any

consular officer or representative in the procedure or judgment.

b. That the warrants issued or judgments delivered by Chinese courts may be executed within the concessions or within the precincts of any building belonging to a foreigner, without preliminary examination by any consular or foreign judicial officer.

In conclusion, it may be added that not China alone will be benefited by the abolition of consular jurisdiction.

From the technical point of view, the Treaty Powers themselves, too, will see in the system of a single jurisdiction the disappearance of the inconveniences which reveal themselves in controversies among the foreigners of different nationalities—inconveniences of the same nature as those which present themselves in cases between the Chinese and foreigners.

Furthermore, the whole Chinese people will appreciate the goodwill of the Powers who give a satisfaction to their ardent desire to see the disappearance of all inequalities in judicial matters, which exist on the Chinese soil between the nationals and foreigners. As a result of the more general application of the laws of the country by the national courts, the administration will become more efficient, and the people themselves will urge the Government to open the whole country to the trade and residence of foreigners.

The abolition of consular jurisdiction will from that time bring about, as a consequence, the development of international commerce which will be beneficial both to China and the foreign Powers.

RELINQUISHMENT OF THE LEASED TERRITORIES.

The existence of leased territories in China, which jeopardizes the territorial integrity of China, is due, in the original instance, to the aggressions of Germany whose forcible occupation of part of Shantung Province constrained the Chinese Government to grant a lease for ninety-nine years of the Bay of Kiaochow in Shantung Province, the finest harbour on the coast of China.

In November, 1897, two German missionaries were murdered in the interior of Shantung. A German squadron at once

occupied Kiaochow and demanded reparation. The murderers were executed, certain Chinese officials were punished for lax conduct, an indemnity was paid, and two expiatory chapels erected. Measured by even an exacting standard, the satisfaction accorded to Germany appeared ample and definitive.

But the incident was not allowed to end with China's grant of full redress. No sooner had the case been settled than the German Minister at Peking, Baron von Heyking, approached the Chinese Government with the proposal that Kiaochow Bay should be *leased* to Germany. To give moral support to his proposal, a German squadron under the command of the Emperor's brother Prince Henry of Prussia was dispatched to Chinese waters, the Prince being enjoined by the Emperor at a farewell banquet to be prepared to "strike with his mailed fist." In view of the international situation with which she was confronted, China was constrained to accept the proposal and on March 6, 1898, signed a convention setting aside a zone of 50 kilometers (33 miles) around the Bay of Kiaochow at high water for the passage of German troops therein at any time, and agreeing to a lease for ninety-nine years of both sides of the entrance to the Bay of Kiaochow including a certain number of islands, with the right to construct fortifications. In the same convention, Germany obtained the right to build certain railways traversing the Province and to prospect for and work mines within ten miles along the railways, as well as a preference for German subjects, German materials and German capital in case foreign assistance was needed in the Province, which is larger than England and Wales.

Germany having obtained a fortified outpost on the coast of China, Russia, invoking the doctrine of balance of power, presented to the Chinese Government on the day the Lease Convention of Kiaochow was concluded a demand to which a time limit was given for a favourable reply that Port Arthur and Talienwan and the adjacent waters should be leased to her in order that the Russian fleet might have a "secure base," and that she should be given, among other things, the right to build a railway to be guarded by Russian soldiers traversing the Manchurian Provinces from Port Arthur and Talienwan to join the trans-Manchurian Russian railway at Harbin, the

concession to construct which had been granted to Russia two years earlier.

Yielding again to the pressure Russia was able to bring, the Chinese Government consented on March 27, 1898, to lease Port Arthur and Talienwan to Russia for a period of twenty five years, and at the same time granted her other demands.

It may be stated that by the Treaty of Portsmouth of September 5, 1905, which terminated the war between Japan and Russia, the latter agreed to transfer to Japan the lease of the two ports and adjacent territories and waters together with the rights and privileges belonging to the lease "with the consent of the Government of China." This consent was accorded by China on December 22, 1905.

Following the lease of Kiaochow Bay to Germany and that of Port Arthur and Talienwan to Russia, France obtained from China on April 22, 1898, the lease of Kwangchowwan on the coast of Kwangtung Province for ninety-nine years and Great Britain the lease, also for ninety-nine years, of an extension of Kowloon and the adjoining territory and waters close to Hongkong on June 9, 1898, and the lease "for so long a period as Port Arthur should remain in the occupation of Russia" of the port of Weihaiwei on the coast of Shantung on July 1, 1898. Both Great Britain and France based their claims for the leases on the ground of the necessity of preserving the balance of power in the Far East.

While the measures and extent of control by the lessee Powers over the leased territories vary in the different cases, the leases themselves are all limited, as is seen above, to a fixed term of years. Expressly or impliedly they are not transferable to a third power without the consent of China. Though the exercise of administrative rights over the territories leased is relinquished by China to the lessee Power, during the period of the lease, the sovereignty of China over them is reserved in all cases. Moreover, in most of the lease conventions, it is provided that Chinese vessels of war should enjoy the equal right with the lessee Powers of using the leased ports as naval bases, (though in the Lease Convention of Kwangchowwan, this right was conditioned on China remaining in the state of neutrality).

From the foregoing account it appears clear that the leased territories remain part of Chinese territory, though encumbered with certain restrictions in regard to the exercise of administrative rights therein by the territorial sovereign. They are creatures of compact different from cessions in fact and in law.

These territorial leases do not, therefore, appear to have adequate reason for continuance. Not only were they granted by China under pressure, real or potential, but they were demanded by the Powers in the main avowedly to create balance of power, not as between China and another country, but as between rival foreign aspirants to power and advantage, at a time when the territorial integrity of China under the misrule of the Manchu Dynasty appeared to be in imminent grave danger. Twenty years have elapsed since then, and conditions have entirely altered. With the elimination of German menace in particular, an important disturbing factor to the peace of the Far East has been removed, while the approaching formation of a League of Nations to prevent wars of aggression seems to provide an added reason for dispensing with the necessity of maintaining a balance of power in the Far East, which was the principal ground of their original claims, and therefore a new ground for the interested Powers to relinquish their control over the territories leased to them.

The Chinese Government feel, moreover, that the existence of these leased territories has greatly prejudiced China's interests. Situated, as they all are, at strategic points of the Chinese territory, these foreign leaseholds have not only hampered her work of national defense and, constituting in China a virtual *imperium in imperio*, have been a menace to the integrity of her territory, but because of the shifting conflict of interests of the different lessee Powers, they have involved China more than once in complications and controversies of their own, especially in the cases of actual hostilities between them.

Furthermore, some of these territories are utilized, with a view to economic domination over the vast adjoining regions, as *points d'appui* for developing spheres of interest, to the detriment of the principle of equal opportunity for the commerce and industries of all nations in China.

As the prolongation of the foreign control over the leased territories constitutes a continued lordship, whose injurious effects tend from day to day to increase, the Chinese Government feel in duty bound to ask for the restitution of these territories, with the assurance that, in making this proposal, they are conscious of, and are prepared to undertake, such obligations as the relinquishment of control may equitably entail on them as regards the protection of the rights of property-owners therein and the administration of the territories thus restored to the complete control of China.

RESTORATION OF FOREIGN CONCESSIONS AND SETTLEMENTS.

The right of foreigners to reside and trade in China was definitely provided, for the first time, in the Sino-British Treaty of August 29, 1842, the second article of which allowed British subjects "to reside for the purpose of carrying on their mercantile pursuits, without molestation or restraint at the Cities and Towns of Canton, Amoy, Fuchow, Ningpo, and Shanghai." To facilitate the enjoyment of this right, the Supplementary Treaty of October 8, 1843, provided, in Article 7, that "the ground and houses. . . shall be set apart by the local officers in communication with the Consul." Accordingly, land was set apart in the five ports for the use of British subjects, arrangements having been made by the local authorities in communication with the British Consuls.

The citizens or subjects of several other Powers acquired, by treaty with China, rights similar to those conferred on British subjects, and in some cases similar arrangements were made.

Since 1842 many new ports have been added to the list of localities already opened to foreign trade and residence; and in a number of these new places, too, special quarters have been designated for the use of foreign citizens or subjects for purposes of residence and trade.

These special areas in the open ports are generally known as "Concessions" or "Settlements." As these Concessions were granted individually to various treaty Powers, a number of them may be found in one and the same port, for example, at Tientsin or Hankow. In Shanghai, the British and American Concessions were amalgamated in 1854 into one Concession which is now called the International Settlement. The French Concession there still exists as a separate entity.

These Concessions, which remain Chinese territory and in which foreign property-holders are under obligation to pay a land tax to the Chinese Government as the Chinese do, are governed either by the Consul of the State in whose favour the Concession has been granted or by a Municipal Council elected by foreign taxpayers residing therein. The Council or the Consul, as the case may be, administers the interests of the Concession, issues ordinances and regulations binding on all residents for the maintenance of public order, levies taxes for municipal purposes, erects public buildings, makes roads, and maintains a police force.

Although Chinese citizens constitute the bulk of the population in most of the Concessions and contribute by far the largest share of the revenue of these municipalities, they are not represented in the Municipal Councils, with the exception of the Kulangsoo International Settlement, the Municipal Council of which always has a Chinese member appointed by the Chinese local authority. In the Shanghai International Settlement, Chinese residents, who compose over 95% of its population, are allowed to have only an Advisory Committee of three delegates elected annually by the various Chinese commercial bodies.

These Concessions and Settlements are busy commercial centres in China which have played an important part in the development of her foreign trade and which have contributed, in no small measure, to the prosperity of the Chinese people. But they have at the same time brought into existence certain practices and claims on the part of the foreign authorities of the Concessions for power and jurisdiction which have at once

impaired the sovereignty of China and hampered her work of administration.

For one thing, China has been denied her right of plenary jurisdiction over her own citizens residing within the Concessions. For example, Chinese residents therein cannot be arrested by Chinese authorities except with the approval of the Consul of the State in whose favour the Concession has been granted, or, if in the International Settlement at Shanghai, of the Senior Consul; and if the particular Chinese is in some way connected with a foreign firm or family, then the consent of the Consul of the State to which such firm or family belongs must also be obtained. If in the International Settlement at Shanghai a Chinese commits a crime on another Chinese or is sued by another Chinese, he, even though the case involves no foreigner or foreign interests, must be tried before a Mixed Court, wherein a foreign assessor not only watches the proceedings but virtually tries and decides the case. If Chinese fugitives from justice take shelter within the Concession, they cannot be reached by the Chinese authorities, except when the warrants are approved by the foreign authorities of the Concession.

Besides, Chinese troops are denied the right of passage through these Concessions, though they are part of Chinese territory. Thus China's right of eminent domain is not given due recognition by the foreign authorities of the Concessions.

This assertion of exclusive authority and power has made each Concession virtually "*un petit état dans l'état*," to the impairment of China's rights as a territorial sovereign. Such a development was hardly within the contemplation or intention of those who helped organize them. In his instructions to Sir Frederick Bruce, British Minister at Peking, April 8, 1863, Earl Russell, British Secretary for Foreign Affairs, stated:

"The lands situated within the limits of the British Settlement are without doubt Chinese territory, and it cannot reasonably be held that the mere fact of a residence within

those limits exempts Chinese subjects from fulfilling their natural obligations."

Later in the same year, the foreign representatives at Peking met in conference and agreed upon certain principles upon which the reorganization of the foreign Settlement in Shanghai should be, and was until recently, based. These are:

"1. That whatever territorial authority is established shall be derived directly from the Imperial Government through our Ministers.

"2. That such shall not extend beyond simple municipal matters, roads, police and taxes for municipal objects.

"3. That the Chinese not actually in foreign employ shall be wholly under the control of Chinese officers, as much as in the Chinese City.

"4. That each Consul shall have the government and control of his own people, as now: the municipal authority simply arresting offenders against the public peace, handing them over, and prosecuting them before their respective authorities, Chinese and others as the case may be.

"5. That there shall be a Chinese element in the municipal system, to whom reference shall be made and assent obtained to any measure affecting the Chinese residents."

The existence of the foreign Concessions has also given rise to the ever recurring problem of extensions. As the population of the Concessions grows in size and more room is needed for expansion, demands are made upon the Chinese Government to grant extensions of territory. In view of the claim and actual appropriation of broad powers of sovereignty by the foreign Consuls or Municipal Councils on the one hand, and of the opposition of the Chinese residents in the territory asked for on the other hand, it is not unnatural that the Chinese Government should often manifest hesitation to comply with these applications. Such delay or refusal, however, is seldom sympathetically viewed and, more often than not, it is considered as just cause for making acrimonious representations.

Besides tending thus to mar the friendly relations between China and the Power making the application, the question of Settlement extensions often gives rise to controversies among the foreign Powers. For the application of one Power for extension not infrequently leads another to make a similar application, and where the interests of two applicants conflict, as has occurred in more than one instance, the friendly feelings between these Powers are not a little affected.

It is, moreover, to be noted that while in the more recent Concessions the exercise of these powers of municipal government is provided for in treaties, it was not so authorized in the case of the earlier grants of land for foreign trade and residence. There it was originally based on certain regulations known as the Land Regulations agreed upon by the Chinese authorities and the foreign Consuls.

In both cases, however, the necessity for the maintenance of such independent municipalities seems to have ceased to exist. When the country was first opened to foreign intercourse, the people were unaccustomed to associate with foreign nationals, and it was therefore deemed expedient to assign separate districts for the use of the foreign merchants; and as these districts were undeveloped sections of the Chinese cities, it was desirable to organize some system of local government for the maintenance of public order and morals within the foreign communities. By such arrangement the Chinese authorities were able to prevent friction between Chinese and foreign subjects, while the Consuls found themselves in a better position to exercise over their nationals the protection and control provided by the treaties.

That whatever necessity there was for separate residence has entirely ceased to prevail, appears clear from the fact that in such treaty ports as Nanking and Changsha, where no foreign Concessions exist, Chinese and foreigners live together in peace and friendship. This is true even of the existing Concessions themselves, wherein large numbers of Chinese and foreigners reside together without friction.

Besides, China has in recent years made great progress in municipal government and believes herself prepared to as-

sume the responsibilities for effective administration which will necessarily be implied in the desired restoration of the foreign Concessions and Settlements. Not only the administration of such large cities as Peking has been modernized and conducted to the satisfaction of Chinese and foreign residents alike, but also in the German and Austro-Hungarian Concessions at Tientsin and Hankow, of which the Chinese Government assumed charge on their Declaration of War on these Powers in 1917, no serious criticism has been heard of the Chinese administration.

Nor does the maintenance of these arrangements appear now as an essential arrangement for the enjoyment of the right to trade. In the last two decades, China has steadily been pursuing a policy of encouraging foreign trade and commerce. She has not only consented by treaty to add a number of places to the list of treaty ports, but she has opened on her own initiative many places in the interior to foreign trade. In the places voluntarily opened by China such as Chinan, for example, foreigners who are required to observe the Chinese municipal and police regulations on the same footing as Chinese, have found no discouragement in that requirement. They are steadily moving into these places, which, though only recently opened to foreign trade, are rapidly becoming prosperous business centres.

In view of the foregoing considerations the Chinese Government entertain a most earnest desire to have all the foreign Concessions and Settlements returned to China and request the Government of those Powers which now hold one or more Concessions in China, to agree to such restoration. China is ready to enter into negotiations for the purpose, and make such arrangements as may be necessary for effecting the restoration and for securing and safeguarding the right of leasing land in the treaty ports generally.

Realizing that there are considerable foreign vested interests in the Concessions and Settlements and desiring to avoid giving them any cause for concern, the Chinese Government are also prepared to consent that such arrangement, when agreed to by the interested Powers, shall take effect at the end of five

years from the date of such agreement.

Pending the final restoration, the Chinese Government are desirous however, to introduce certain modifications in the existing regulations of the foreign Concessions, mainly for the purpose of securing a more just treatment for Chinese residents therein and of preparing the way for the final restoration to China. These modifications, which would in no way affect any of the privileges enjoyed by the citizens or subjects of treaty Powers, are:

1. That Chinese citizens shall have the right to own land in all the Concessions and Settlements under the same conditions as foreigners;

2. That Chinese citizens residing in the Concessions shall have the right to vote in the election of members of the municipal councils and to be elected thereto;

3. That warrants issued and judgments delivered by competent Chinese Courts outside the Concessions shall be executed in the Concessions, without being subject to any revision whatsoever by the foreign authorities;

4. That in no foreign Concession shall a foreign assessor be allowed to take part in the trial or decision of cases wherein Chinese citizens alone are concerned.

TARIFF AUTONOMY.

The existing tariff arrangement dates back to the Treaty of Nanking signed in 1842 with the representatives of Great Britain. The duties to be collected upon imported goods were fixed in the Supplementary Treaty of 1843, and consisted of specific levies calculated mostly on the basis of 5% *ad valorem* of the values then current, but in some cases the duty was as high as 10%. This tariff was subsequently adopted by the other Powers when they entered into treaty relations with China. In the several treaties which China concluded in 1858 with Great Britain, France and other countries a revision took place when the rate of 5% *ad valorem* was for the first time universally applied. These treaties contained provisions for periodical revision which were adopted in all the commercial treaties subsequently con-

cluded with other Powers, but for one reason or another there have been only two revisions since 1858, namely, in 1902 and in 1918. In both cases, however, only the values of goods were revised, the uniform 5% *ad valorem* rate remaining unchanged.

This tariff is not only unfair but also unscientific in so far as articles of prime necessity are charged duties at the same rate as articles of luxury with results seriously detrimental to Chinese finance and trade. The reasons are briefly as follows:

1. *No Reciprocity.* By these treaties and by the most-favored-nation clause China has given to all the Powers a conventional tariff. By the latter clause any one Power is entitled to claim whatever rights or privileges which are granted to another Power, but in return China receives no reciprocal treatment. Thus every treaty Power enjoys the benefit of China's 5% tariff, but her goods entering the ports of those countries are not entitled to the corresponding benefit. This non-reciprocity is contrary to international usage according to which tariff concessions are always on a mutual and compensatory basis.

2. *No Differentiation.* Since the abandonment of the principle of differentiation in 1858, all goods, from luxuries to necessities including raw materials, are taxed at exactly the same rate. How far this is at variance with the common practice in other countries can be easily seen from the following tables:—

Import Duty on Luxuries Collected By Different Countries

		in 1913*	
		<i>Tobacco</i>	<i>Spirits</i>
	£ s d		£ s d
England	8-6 per lb.		15- 2 per gallon
United States	18-9 per lb. & 25%		10-10 per gallon
France	1-7-2½ per lb.		2- 6½ per gallon
Japan	355%		10- 2 per gallon
China	5%		4½ per gallon

The figures shown in the above table speak for themselves.

Owing to the extremely low rate, consequently insufficient revenue, many articles which ought to be free of duty are also

*The figures of this year are quoted because it was just before the war during which conditions became abnormal.

taxed for revenue purposes. This can be shown by a comparison of the percentage of value of articles imported free of duty into China with that of other countries in 1913*

China	6.5%
Japan	49.5%
France	50.0%
United States	54.5%
England ..	90.7%

How far this uniform tariff is unfitted to the present conditions can be illustrated by the following comparison:

<i>Number of articles enumerated in the revised tariffs</i>	<i>Value of import in the corre- sponding periods (excluding opium)</i>
In the year 1858..138 articles	About 30 million taels
— 1902..332 —	— 280 —
— 1902..598 —	— 545 —

Thus it will be seen that during the last sixty years although the number of articles enumerated increased more than four times, and the volume of trade eighteen times, the principle of a uniform 5% tariff has remained absolutely unchanged. In 1858 China consented to such a uniform rate because foreign trade was then comparatively unimportant, but since then foreign trade has grown considerably. She now finds not only the distribution of the burden exceedingly unfair, but her national economy is seriously affected by the lack of encouragement of the import of raw materials and machinery and by the abnormal increase in the import of luxuries.

3. *Insufficiency of Revenue.* The treaty tariff of 5% *ad valorem* is obviously much lower than that which exists in other countries, but even that rate is only nominal, for the periodical revision provided for by the treaties has never been carried out in due time, and when it has been effected, the basis of valuation adopted is always lower than the actual value at the time: for example, in 1902 the average prices of 1897-1899 were taken, and in 1918, those of 1912-1916. Thus owing to the steady increase in the value of commodities imported, the actual duties paid at any given time are always lower than current

prices would demand. Moreover, the import duty forms a very small percentage of the annual state revenue. Take for instance, in 1914, the total ordinary revenue was 280 million taels, while the import duty only yielded 18 million taels, thus forming less than 7%. The Chinese Government, are, therefore, forced to raise money by some other means, and many taxes, admittedly bad, have to be retained, for example, the inland taxation, known as *likin* and similar taxes, which is universally condemned both by Chinese and foreigners, but as it gives the Government a revenue of forty million taels, it has to be tolerated.

The evils of *likin* taxation have long been recognised by the Powers themselves. Thus in the commercial treaties with Great Britain, the United States and Japan in 1902-1903, it was agreed, *inter alia*, to increase the tariff from 5% to 12½%, if China would abolish *likin*, but this could only be effected if *all* the treaty Powers "have signified their acceptance of these engagements." The last condition has made the treaty stipulation practically a dead letter as unanimity among so many Powers has been almost impossible of attainment. It is clear therefore that in the matter of tariff China does not enjoy the same right as is granted practically to all nations.

4. *No Real Revision.* It is to be observed that the 5% tariff was fixed in 1858, and there has never been any real revision of it since, as the so-called revisions in 1902 and in 1918 were merely re-estimates of prices which were the bases on which the specific duties were calculated and levied. Thus for more than half a century China's tariff has undergone no modification in the rate of levy.

To conform to the aim and object of the League of Nations it is urgently desired that the right of China to revise the existing tariff conventions should be recognized and agreed to by the friendly Powers. The Chinese Government regard the Peace Conference as a unique opportunity because such revision requires the consent of all the treaty Powers, which is practically impossible to obtain under ordinary conditions.

What the Chinese Government desire to be agreed to by the Conference in principle is that the present tariff should be

superseded two years henceforth by the general tariff which is applied to the trade of non-treaty Powers, but in the meantime China is willing to negotiate with the treaty Powers with a view to arranging new conventional rates for those articles in which they are specially interested, under the following conditions:—

1. Any favourable treatment thus arranged must be reciprocal.

2. A differential scale must be established so that luxuries should pay more and raw materials less than necessities.

3. The basis of the new conventional rate for necessities must not be less than $12\frac{1}{2}\%$ in order to cover the loss of revenue resulting from the abolition of *likin* as provided for in the commercial treaties of 1902-1903.

4. At the end of a definite period to be fixed by new treaties, China must be at liberty not only to revise the basis of valuation, but also the duty rate itself.

In return for such concessions China is willing to abolish the undesirable tax of *likin* so that anything that tends to hinder the development of trade may be removed once for all.

The Chinese Government do not intend to adopt a system of protective tariff nor to over-tax trade, but simply demand the revision of the present tariff because it is unfair, unscientific, out of date and does not meet China's economic needs. The prolonged unfavourable balance of trade and the constant increase of national debt have created a serious financial and economic stress which can only be relieved by consolidating the system of taxation and encouraging the export trade, which will in turn benefit the importers by increasing the people's purchasing power. This reform has long been overdue, and in placing China's case before the Peace Conference the Chinese Government have behind them the voice of the whole country. It is to be hoped that the friendly Powers will restore to China the same fiscal right as is enjoyed by all independent nations so that the Chinese people may develop their natural resources, become better consumers of the world's commodities, and contribute their share to the progress and civilisation of mankind.

CONCLUSION.

In submitting the present memorandum to the Peace Conference, the Chinese Delegation are not unaware that the questions herein dealt with did not primarily arise out of this World War—a war which has brought sufferings to mankind to such a degree and extent as are unknown in history. They are, however, fully conscious of the purpose of the Peace Conference, which seeks, in addition to concluding peace with the enemy, to establish a new world order upon the foundation of the principles of justice, equality and respect for the sovereignty of nations. It finds an eloquent expression in the Covenant of the League of Nations. These questions demand readjustment by the Peace Conference because, if left unattended to, they contain germs of future conflicts capable of disturbing the world's peace again:

The Chinese Delegation, therefore, request that they be taken into consideration by the Peace Conference and be disposed of in the following ways:—

1. *With Reference to the Spheres of Influence or Interest*, that the various interested Powers will, each for itself, make a declaration that they do not have or claim any sphere of influence or interest in China and that they are prepared to undertake a revision of such treaties, agreements, notes or contracts previously concluded with her as have conferred, or may be construed to have conferred, on them, respectively, reserved territorial advantages or preferential rights or privileges to create spheres of influence or interest, which impair the sovereign rights of China.

2. *With reference to Foreign Troops and Police*, that all foreign troops and foreign police agencies now present on Chinese territory without legal justification be immediately withdrawn; that Articles VII and IX of the Protocol of September 7, 1901, be declared cancelled; and that the Legation guards and foreign troops stationed by virtue of these provisions be completely withdrawn within a period of one year from the

date when a declaration to this effect is made by the Peace Conference.

3. *With reference to Foreign Post Offices and Agencies for Wireless and Telegraphic Communications*, that all foreign post offices be withdrawn from China on or before January 1, 1921; that no foreign wireless or telegraphic installations be set up on Chinese territory without the express permission of the Chinese Government; and that all such installations as may have already been set up on Chinese territory shall be handed over forthwith to the Chinese Government upon due compensation being given.

4. *With reference to the Consular Jurisdiction*, that upon China's fulfillment of her undertaking by the end of 1924, firstly, to promulgate the Five Codes and, secondly, to establish new courts in all the districts which once formed the chief districts of the prefectural divisions, all the treaty Powers promise to relinquish their consular jurisdiction and the jurisdiction of their special courts, if any, in China; and that before the actual abolition of Consular Jurisdiction, the Powers agree:

a) That every mixed case, civil or criminal, where the defendant or accused is a Chinese citizen, be tried and adjudicated by Chinese courts without the presence or interference of any consular officer or representative in the procedure or judgment.

b) That the warrants issued or judgments delivered by Chinese courts may be executed within the Concessions or within the precincts of any building belonging to a foreigner, without preliminary examination by any consular or foreign judicial officer.

5. *With reference to the Leased Territories*, that they be restored to China upon her undertaking such obligations as the relinquishment of control may equitably entail on her as regards the protection of the rights of property-owners therein and the administration of the territories thus restored.

6. *With reference to Foreign Concessions and Settlements*, that the Powers concerned consent to have the Concessions or Settlements held by them restored to China by the end of

1924. China also undertakes the obligations to safeguard the rights of the property-owners therein. Pending the final restoration certain modifications in the existing regulations of the foreign Concessions are desired.

7. *With reference to Tariff Autonomy*, that it be declared that at the end of a definite period to be fixed by mutual agreement, China is free to regulate, of her own accord, her customs tariff, and that during the said period China is free to negotiate with the various Powers tariff conventions which shall be reciprocal in treatment, shall differentiate luxuries from necessities and shall have as the basis of the new conventional rate for necessities not less than $12\frac{1}{2}\%$. Pending the conclusion of such conventions, the present tariff shall be superseded by the end of 1921 by the general tariff which is applied to the trade of non-treaty Powers. China on her part promises to abolish *likin* as soon as new conventions are concluded.

APPENDICES

APPENDIX 1.

(A) Sino-British Treaty of October 8, 1843.

(General Regulations under which the British Trade is to be Conducted at the Five Ports of Canton, Amoy, Foochow, Ningpo, and Shanghai.)

ART. XIII. Whenever a British subject has reason to complain of a Chinese, he must first proceed to the Consulate and state his grievance. The Consul will thereupon inquire into the merits of the case, and do his utmost to arrange it amicably. In like manner, if a Chinese have reason to complain of a British subject, he shall no less listen to his complaint and endeavour to settle it in a friendly manner. If an English merchant have occasion to address the Chinese authorities, he shall send such address through the Consul, who will see that the language is becoming; and if otherwise, will direct it to be changed, or will refuse to convey the address. If unfortunately any disputes take place of such a nature that the Consul cannot arrange them amicably, then he shall request the assistance of a Chinese Officer that they may together examine into the merits of the case, and decide it equitably. Regarding the punishment of English criminals, the English Government will enact the laws necessary to attain that end, and the Consul will be empowered to put them in force; and regarding the punishment of Chinese criminals, these will be tried and punished by their own laws, in the way provided for by the correspondence which took place at Nanking after the concluding of the peace.

(B) Sino-British Treaty of Tientsin of June 16, 1858.

ARTICLE I. (Second paragraph.) The Supplementary Treaty and General Regulations of Trade having been amended and improved, the substance of their provisions having been incorporated in this Treaty, the said Supplementary Treaty and General Regulations of Trade are hereby abrogated.

ART. XV All questions in regard to rights, whether of property or person, arising between British subjects, shall be subject to the jurisdiction of the British authorities.

ART. XVI. Chinese subjects who may be guilty of any criminal act towards British subjects shall be arrested and punished by the Chinese authorities according to the Laws of China.

British subjects who may commit any crime in China shall be tried and punished by the Consul or other Public Functionary authorized thereto according to the Laws of Great Britain.

Justice shall be equitably and impartially administered on both sides.

ART. XVII. A British subject having reason to complain of a Chinese must proceed to the Consulate and state his grievance. The Consul will inquire into the merits of the case, and do his utmost to arrange it amicably. In like manner, if a Chinese have reason to complain of a British subject, the Consul shall no less listen to his complaint, and endeavor to settle it in a friendly manner. If disputes take place of such a nature that the Consul cannot arrange them amicably, then he shall request the assistance of the Chinese authorities, that they may together examine into the merits of the case and decide it equitably.

APPENDIX 2

Sino-American Treaty of July 3, 1844.

ART. XXI. Subjects of China who may be guilty of any criminal act towards citizens of the United States shall be arrested and punished by the Chinese authorities according to the laws of China, and citizens of the United States who may commit any crime in China shall be subject to be tried and punished only by the Consul or other public functionary of the United States thereto authorized according to the laws of the United States; and in order to the prevention of all controversy and disaffection, justice shall be equitably and impartially administered on both sides.

ART. XXV All questions in regards to rights, whether of property or person, arising between citizens of the United

States in China shall be subject to the jurisdiction of and regulated by the authorities of their own Government; and all controversies occurring in China between the citizens of the United States and the subjects of any other Government shall be regulated by the Treaties existing between the United States and such Governments, respectively, without interference on the part of China.

APPENDIX 3.

Sino-French Treaty of October 24, 1844.

ART. XXIV. Lorsqu'un citoyen français aura quelque sujet de plainte ou quelque réclamation à formuler contre un Chinois, il devra d'abord exposer ses griefs au Consul, qui, après avoir examiné l'affaire, s'efforcera de l'arranger amiablement. De même, quand un Chinois aura à se plaindre d'un Français, le Consul écoutera sa réclamation avec intérêt et cherchera à ménager un arrangement amiable. Mais si dans l'un ou l'autre cas la chose était impossible, le Consul requerra l'assistance du fonctionnaire chinois compétent, et tous deux, après avoir examiné conjointement l'affaire, statueront suivant l'équité.

ART. XXVII. Si malheureusement, il s'élevait quelque rixe ou quelque querelle entre des Français et des Chinois, comme aussi dans le cas où, durant le cours d'une semblable querelle, un ou plusieurs individus seraient tués ou blessés, soit par des coups de feu, soit autrement, les Chinois seront arrêtés par l'Autorité chinoise, qui se chargera de les faire examiner et punir s'il y a lieu, conformément aux lois du pays. Quant aux Français, ils seront arrêtés à la diligence du Consul, et celui-ci prendra toutes les mesures nécessaires pour que les prévenus soient livrés à l'action régulière des lois françaises, dans la forme et suivant les dispositions qui seront ultérieurement déterminées par le Gouvernement français.

Il en sera de même en toute circonstance analogue et non prévue dans la présente Convention, le principe étant que, pour la répression des crimes et délits commis par eux dans les cinq ports, les Français seront constamment régis par la loi française.

ART. XXVIII. Les Français qui se trouveront dans l'un des cinq ports dépendront également, pour toutes les difficultés ou les contestations qui pourraient s'élever entre eux, de la juridiction française. En cas de différends survenus entre Français et étrangers, il est bien stipulé que l'Autorité chinoise n'aura à s'en mêler en aucune manière. Elle n'aura pareillement à exercer aucune action sur les navires marchands français; ceux-ci ne relèveront que de l'Autorité française et du capitaine.

APPENDIX 4.

The Provisional Constitution of the Republic of China, March, 1912.

ART. VI. Citizens shall enjoy the following rights:—

1. No citizen shall be arrested, imprisoned, tried or punished except in accordance with Law.
2. The habitation of any citizen shall not be entered or searched except in accordance with Law.
3. Citizens shall enjoy the right of the security of their property and the freedom of trade.
4. Citizens shall have the freedom of speech, of publication and of association.
5. Citizens shall have the right of the secrecy of their letters.
6. Citizens shall have the liberty of residence and removal.
7. Citizens shall have the freedom of religion.

ART. XLVIII. The Judiciary shall be composed of judges appointed by the President and the Minister of Justice.

The organisation of the courts and the qualifications of judges shall be determined by law.

ART. XLIX. The Judiciary shall try civil and criminal cases, but cases involving administrative affairs or arising from other particular causes, shall be dealt with according to special laws.

ART. L. The trial of cases in law courts shall be conducted publicly, but those affecting public safety and order may be held in camera.

ART. LI. Judges shall be independent and shall not be subject to the interference of higher officials.

ART. LII. Judges during their continuance in office shall not have their emoluments decreased and shall not be transferred to other offices, nor shall they be removed from office except when they are convicted of crimes, or of offences punishable according to law by removal from office.

APPENDICES 5, 6, 7, 8 and 9 are in the form of separate annexes.

APPENDIX 10.

(A) List of Modern Courts Already Established.

I. The *Taliyuan*, or the *Supreme Court*, in Peking.

II. (a) *High Courts* or *Courts of Appeal*. They are twenty-two in all, and are established in Peking and the various Provincial Capitals, namely:—

Tientsin, Mukden, Kirin, Heilungkiang, Chinan, Kaifeng, Taiyuan, Anking, Nanking, Nanchang, Foochow, Hangchow, Wuchang, Changsha, Changan, Lanchow, Chengtu, Canton, Kweiling, Yunnan and Kweiyang.

(b) *Branch Courts of Appeal*. They are eighteen in all, and are established in the chief towns of some provinces which are at a great distance from the provincial capitals, namely:—

Loyang, Juning (in the province of Honan).

Anyi, Tatung (in the province of Shansi).

Chinkiang (in the province of Kiangsu).

Fengyang (in the province of Anhui).

Kanghsien (in the province of Kiangsi).

Wenchow, Kinghua (in the province of Chekiang).

Hsiangyang, Ichang (in the province of Hupeh).

Nancheng (in the province of Shensi).

Pingliang (in the province of Kansu).

Chungking, Yachow, Luchow, Langchung (in the province of Szechuan).

Chenyuan, Pichieh (in the province of Kweichow).

III. *District Courts*. They are forty-six in all, and are established in important cities and towns as well as in the Capital and the Provincial Capitals, namely:—

Peking.

Tientsin, Paoting (in the province of Chihli).

Mukden, Yingkou, Antung, Liaoyang, Kingchow, Tiehling, Taonan, Hailung, Liaoyuan (in the province of Fengtien).

Kirin, Changchun, Yenki (in the province of Kirin).

Heilungkiang (in the province of Heilungkiang).

Chinan, Fusan (in the province of Shantung).

Kaifeng (in the province of Honan).

Taiyuan (in the province of Shansi).

Nanking, Shanghai (in the province of Kiangsu).

Anking, Wuhu (in the province of Anhui).

Nanchang, Kiukiang (in the province of Kiangsi).

Foochow, Amoy (in the province of Fukien).

Hangchow, Ningpo, Wenchow, Kinghua (in the province of Chekiang).

Wuchang, Hankow (in the province of Hupeh).

Changsha, Changteh (in the province of Hunan).

Changan (in the province of Shensi).

Lanchow (in the province of Kansu).

Chengtu, Chunking (in the province of Szechuan).

Canton, Chenhai (in the province of Kwangtung).

Kweiling (in the province of Kwangsi).

Yunnan, Mengtse (in the province of Yunnan).

Kweiyang (in the province of Kweichow).

Many others have been projected and will be established within five years.

(B) Modern Procuratorates Already Established.

To avoid unnecessary repetition, it may be stated that side by side with each modern court, there is a procuratorate of the corresponding grade. Thus, we have the *Chief Procuratorate*

in Peking, a *High Procuratorate* in each of the Provincial Capitals, and a *District Procuratorate* in every city or Provincial Capital where a District Court has been established.

Many others have been projected and will be established within five years.

APPENDIX 11.

List of Modern Prisons Already Established.

They are forty-one in all and distributed in the following cities:—

Two in Peking.

Two in the province of Chihli, namely: Tientsin and Paoting.

Six in the province of Fengtien, namely: Mukden, Yingkou, Liaoyang, Tiehling, Changtu and Sinming.

Two in the province of Kirin, namely: Kirin and Changchun.

One in the province of Heilungkiang, namely: Heilungkiang.

Two in the province of Shantung, namely: Chinan and Chefoo.

One in the province of Honan, namely: Kaifeng.

Three in the province of Shansi, namely: Taiyuan, Hontung and Taiku.

Three in the province of Kiangsu, namely: Nanking, Shanghai and Soochow.

One in the province of Anhui, namely: Anking.

One in the province of Kiangsi, namely: Nanchang.

One in the province of Fukien, namely: Foochow.

One in the province of Chekiang, namely: Hanchow.

Two in the province of Hupeh, namely: Wuchang and Ichang.

One in the province of Hunan, namely: Changsha.

Two in the province of Shensi, namely: Changan and Nancheng.

One in the province of Kansu, namely: Lanchow.

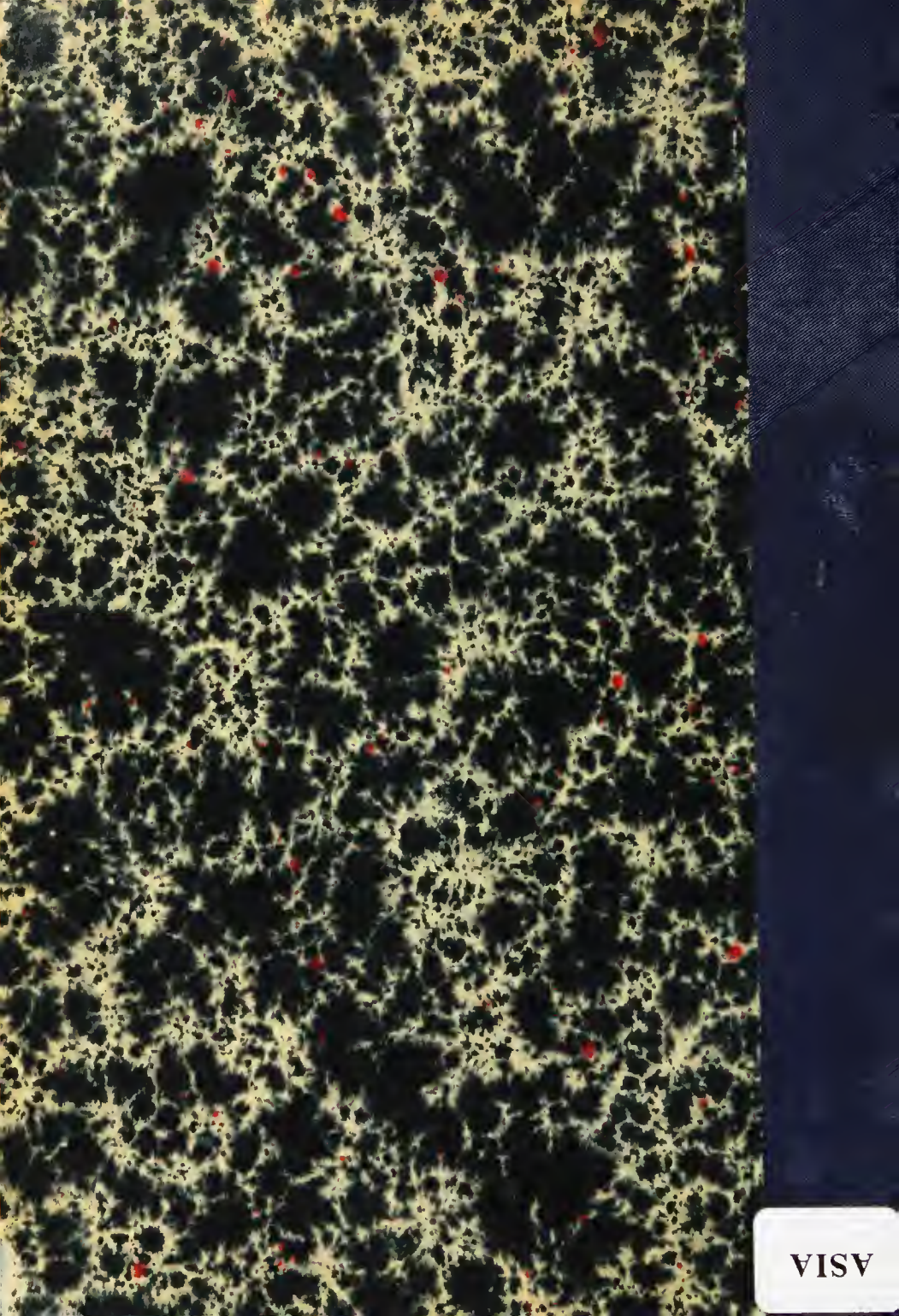
One in the province of Szechuan, namely: Chengtu.

One in the province of Kwantung, namely: Canton.
One in the province of Kwangsi, namely: Kweiling.
One in the province of Yunnan, namely: Yunnan.
One in the province of Kweichow, namely: Kweiyang.
Two in the Special district of Kiangchao.
One in the Special district of Jehol: namely, Chengteh.
One in the Special district of Suiyuan, namely: Suiyuan.

Many others have been projected and will be established within five years.

APPENDICES 12, 13, 14, 15 and 16 are in the form of separate annexes.

PRESS OF RAMSEY OPPENHEIM CO.
618 MISSION STREET
SAN FRANCISCO



VISA